OLIVER WYMAN

Commissioned by:

لجنة دبي للإنتاج التلفزيوني والسينمائي

Dubai Film and TV Commission

OPPORTUNITIES AND CHALLENGES IN THE MIDDLE EAST AND NORTH AFRICA MEDIA PRODUCTION MARKET

AUTHORS

Jeff Youssef, Associate Partner

Karen Piane, Associate

MARSH GUY CARPENTER MERCER OLIVER WYMAN

MARSH & McLENNAN COMPANIES

EXECUTIVE SUMMARY

Since the birth of Film and TV, media ecosystems have sprung up across the world, resulting in a robust global Media and Entertainment industry generating nearly $1.6 trillion in revenues in 2012.[1] These ecosystems consist of hubs where media services and projects are created, developed, traded, and distributed in the local and international market. Content production forms the foundation for these media ecosystems. Although content comes in many forms, historically Film and TV production has formed the core of most of the strongest global media ecosystems.

The United States alone accounts for roughly 30% of Media and Entertainment industry revenues, with major ecosystems in Hollywood (filmed entertainment) and New York (broader media). But there are many other historically strong regional media ecosystems, including London, Berlin, Toronto and Mumbai. These regional media ecosystems, especially in emerging markets, are likely to become more important due to their above average growth in media spend. For example, the expected annual growth for entertainment and media spend in the BRIC countries (Brazil, India, Russia, and China) is expected to be 11.0% versus 5.6% globally from 2012 to 2017.[1]

All of these ecosystems have benefited from favorable regulations and incentives for conducting business, sufficient facilities and infrastructure, development of supportive technology, and access to talent and capital.

A successful media ecosystem can provide a wide-range of direct and indirect benefits to its home market. Direct benefits include significant impact on GDP and rise in employment opportunities. Indirect benefits range from technology and knowledge transfer, to growth in tourism and social benefits, through the creation of a creative social class. Key requirements for developing a healthy Film and TV production ecosystem include:

1. Locations
2. Production infrastructure and support
3. Incentives and investment returns
4. City infrastructure and safety
5. Access to talent

Although still in its early stages and far from the reigning global hubs, the Middle East and North Africa (MENA) region has a number of established and emerging media ecosystems, all of which are eager to define themselves as the best in the region in order to obtain the many benefits highlighted. Power is now shifting from established ecosystems in Egypt, Jordan, Lebanon, and Syria to the Gulf, where governments are taking a more pro-active role in facilitating media ecosystem development.

This push in the Gulf has been fueled by countries' efforts to diversify their economies and to help promote sectors which will drive youth employment, as 50% of the population is under the age of 25.[2] With government support, countries such as the U.A.E. have developed into commercial centers, attracting a diverse range of private media companies and investors.

Although collectively the MENA region has been active in its Film and TV production development, none of the local ecosystems have yet to truly meet global standards. While the region has some obvious strengths, like its diverse and unique locations, ecosystems in MENA need to focus on some specific priorities in order to advance:

1. Film: Developing a targeted incentive structure to attract the global film production market
2. TV: Improving the structural issue with TV Audience Measurement through the implementation and adoption of people-meters in key markets
3. Both: Enabling the creation of a readily available pool of production talent

Improvements in each area will not only enable the MENA region to open up to the global production market, but will also foster the organic growth of local Arabic content production. As media production grows, it will justify the incremental investment in production infrastructure and content development, and draw in the talent required to support it. For this to happen, however, the MENA region's media ecosystems must fully understand the challenges they face and the potential benefits to be gained by addressing them.

1 PwC, "Global Entertainment and Media Outlook," 2013–2017, at http://www.pwc.com/gx/en/global-entertainment-media-outlook/index.jhtml.

2 AMEinfo, "Over 50% of GCC population under 25," July 18, 2012, at http://www.ameinfo.com/50-gcc-population-25-306750.

BENEFITS OF FILM AND TV PRODUCTION

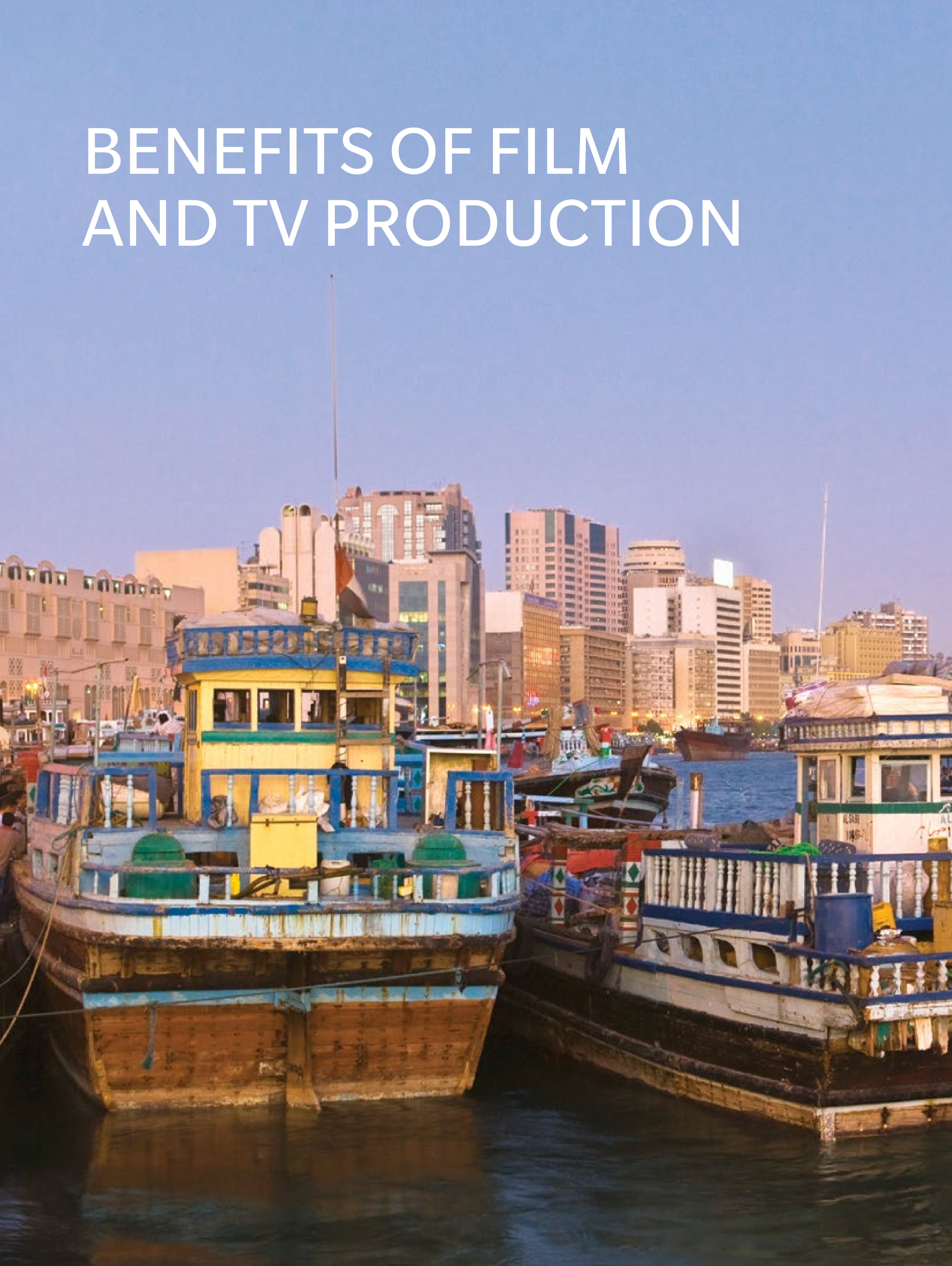
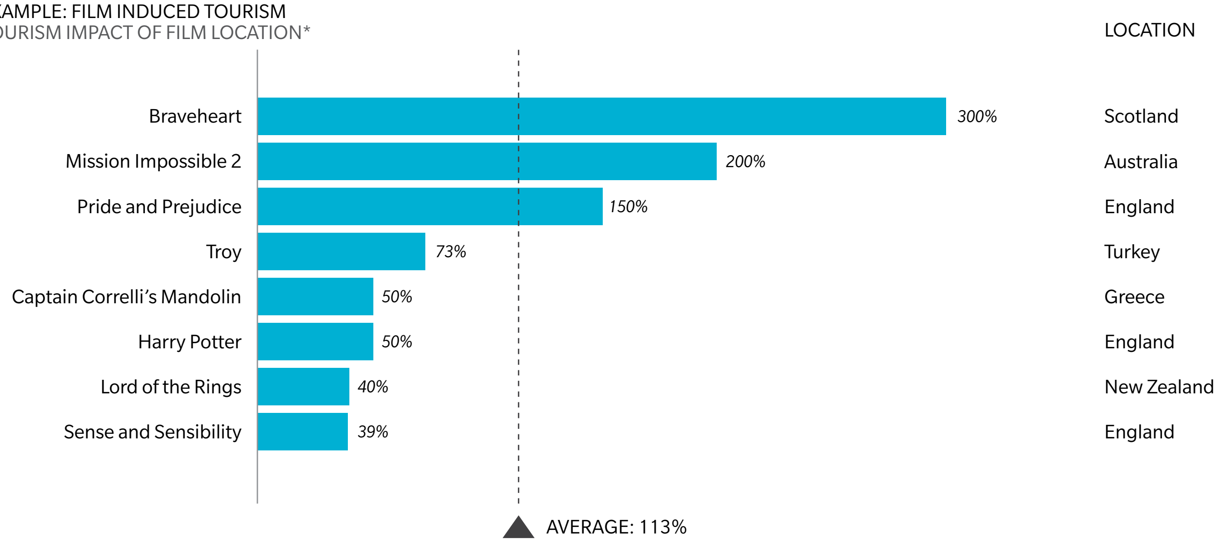


EXHIBIT 1: A VIBRANT FILM AND TV PRODUCTION ECOSYSTEM GENERATES SIGNIFICANT BENEFITS TO THE COUNTRY

EXAMPLE: FILM INDUCED TOURISM
TOURISM IMPACT OF FILM LOCATION*



* Tourism increase the year after launch

Source: Walaiporn Rewtrakunphaiboon "Film-induced Tourism: Inventing a Vacation to a Location", p.5 (http://www.bu.ac.th/knowledgecenter/epaper/jan_june2009/pdf/Walaiporn.pdf); Oxford Economics, "The Economic Impact of the UK Film Industry," (June 2010), p.67; Oliver Wyman analysis.

Given the benefits it can provide for the local market, Film and TV production is a highly sought-after industry. These benefits can be both direct and indirect.

The **direct benefits** generated by the core Film and TV production industry are substantial. The impact of these benefits is underscored by the creation of significant employment opportunities spanning pre-production, production, post-production, distribution, and exhibition. In a typical country, the media industry can constitute between 1.2 to 1.4% of overall GDP.[3]

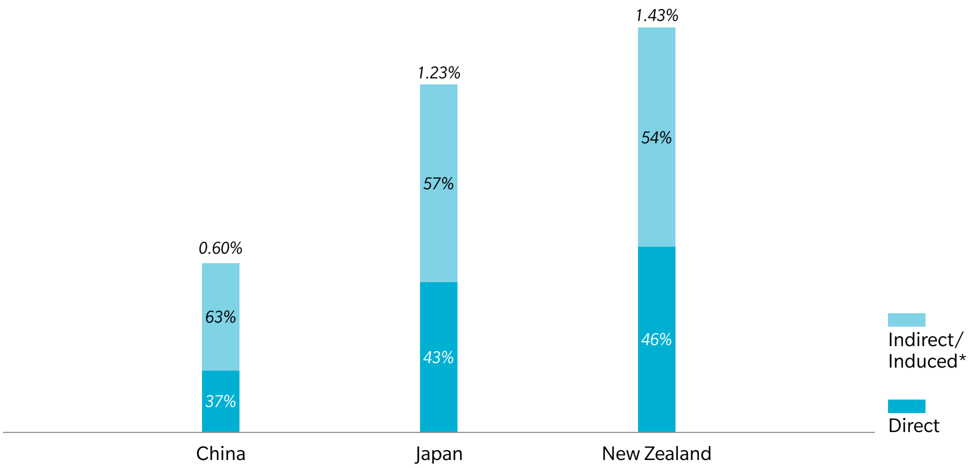
Direct benefits create a measureable and substantial multiplier effect leading to a range of **indirect benefits**. These include employment growth within supporting industries, technology and knowledge transfer, and increased tourism. Social benefits can also be felt through the creation and concentration of a creative social class.

For example, for every job that exists in the core Film and TV production industry, there is known to be another related job to support it. This includes jobs such as suppliers (food and beverage, construction), manufacturers (production equipment, computers/electronics), and business services (publicity, legal, accountancy and financial services).

3 Oxford Economics, "The Economic Impact of the UK Film Industry," September 2012.

EXHIBIT 2: A VIBRANT FILM AND TV PRODUCTION ECOSYSTEM GENERATES DIRECT AND INDIRECT BENEFITS

EXAMPLE: FILM & TV IMPACT ON THE ECONOMY
FILM AND TV PRODUCTION IMPACT AS % OF COUNTRIES' GDP (2011)



* Indirect impact includes purchased goods and services from other sectors in order to produce a film, broadcast a television show, or rent a movie to a customer. Induced impacts include the wages, salaries, and profits paid out by the Film and TV industry that are spent on goods and services, thereby stimulating further economic activity.

Sources: PWC, "Economic contribution of the New Zealand film and television industry,"(2012), p.3; Mitsubishi Research Institute, "Economic Contribution of the Japanese Film and Television Industry,"(2012), p.1; Oxford Economics, "The Economic contribution of the film and television industries in China,"(2012), p.3; Oliver Wyman analysis.

Several studies have captured the benefits of film-generated tourism, comparing the annual tourism rates before and after the release of a major film [Exhibit 1]. Films that rely heavily on a country's scenery, landscape, and culture may contribute to its positive image. In addition, the storyline, themes and characters can elicit associations and emotions toward a place, thereby enhancing its potential as a future travel destination. The *Lord of the Rings* trilogy generated a 40% rise in the number of visitors to New Zealand. The *Harry Potter* series drove an increase of 50% or more in each of its filmed locations. In fact, it is estimated that 10% of annual foreign tourism into the UK (roughly US$3.2 BN of spend) is due to the UK film industry.[4]

Lastly, significant Film and TV production in any city typically draws a large number of creative individuals, ranging from scriptwriters to musicians. These professionals add vibrancy to a city's social and cultural life, which further enhances the city's "livability" or quality of life of the city's other residents. Moreover, these cities also foster the development of original cultural products and offerings that bring their own separate economic and social benefits to the city [Exhibit 2].

4 Ibid.

THE CURRENT STATE OF FILM AND TV PRODUCTION IN THE MIDDLE EAST AND NORTH AFRICA (MENA) REGION


قف
STOP

MEDIA ECOSYSTEMS

Countries in the MENA region have recognized these benefits, with several having made the development of strong media ecosystems a priority. Looking across the region there are six that have emerged, each with its own unique attributes [Exhibit 3].

Egypt established itself early as the leading media ecosystem in Arabic Film and TV content production, largely due to its indigenous actors, directors, and other artists (Egypt is also home to a vibrant music industry). Lebanon is also known for its deep talent pool, fostering short-form production such as TV shows and commercials, and more recently expanding into international formats and film.

With varied location offerings and proximity to the United States and Europe, Morocco has become a preferred site for Hollywood film production. Jordan has also benefited from its history-rich locations and the creation of a strong film commission to ease the filming process.

More recently, however, power has begun to shift towards the Gulf countries, where governments are beginning to take a vested interest in the creation of media ecosystems. The U.A.E., in particular, has played an active role, with the government fostering the infrastructure, film and TV commissions, and financing required to support a vibrant media industry.

Dubai's prominence stems from the opening of Dubai Media City in 2001, and the city has

EXHIBIT 3: MANY COUNTRIES HAVE INVESTED IN MEDIA ECOSYSTEMS TO CAPITALIZE ON THESE BENEFITS

MIDDLE EAST AND NORTH AFRICA MEDIA ECOSYSTEMS

Casablanca, Morocco
- Production of local Arabic music and most well known to Hollywood filmmakers
- Positioned as one of the top "stand-ins" for other countries, attracting numerous Hollywood films

Beirut, Lebanon
- Production of Arabic TV, film, music supported by a strong talent pool
- Positioned as one of the "creative centers" of the Middle East

Cairo, Egypt
- The core of Arab film, TV and music production, although predominantly for domestic consumption
- Positioned as "Hollywood of the Middle East"

Dubai, UAE
- A robust broadcasting and publishing business in Dubai Media City
- More recently expanding into Film and TV production via increased infrastructure and services in Dubai Studio City
- Positioned as "booming Metropolis" of the Middle East

Amman, Jordan
- Focuses on Film and TV with a particular emphasis on digital entertainment
- Producers attracted to historical locations and supportive film commission
- Positioned as "Silicon Valley" of the Middle East

Abu Dhabi, UAE
- Recent entrant with opening of twofour54
- In the process of establishing a strong ecosystem within Film and TV production
- Positioned as "Arabic media and entertainment hub, by Arabs, for Arabs"

Source: Oliver Wyman analysis.

made significant progress in a short period of time, having become a regional hub for broadcasting and advertising, and more recently, for film. Abu Dhabi joined the scene in 2009 with the creation of twofour54 and is in the process of establishing an ecosystem around Film and TV production.

CENTERS OF FILM PRODUCTION

The decades between 1930 and 1960 saw the emergence of Egyptian cinema as a leader in Arab film production. After 1960 other film centers emerged, including Syria, Algeria and Kuwait.

More recently, however, growth has been driven by efforts in Lebanon and the Gulf. Beirut has grown prominent, largely through the work of filmmaker Nadine Labaki. She established herself with two films, *Caramel* (2007) and *Where Do We Go Now?* (2011), which enjoyed wide appeal, both at home and abroad, and ensured her quick ascent into the international limelight.

Recent years have seen the emergence of numerous film festivals and funds across the region that promote the creation of local Arabic content, including the Gulf Film Festival (GFF), Dubai International Film Festival (DIFF), Abu Dhabi Film Festival (ADFF), and Doha Film Institute (DFI). These events and initiatives have captured media attention and have helped contribute to the Gulf's overall increase in film production, with the U.A.E. premiering its first feature film *City of Life* in 2009, Saudi Arabia premiering *Journey to Mecca* in 2012, and the international premiere of Mission: *Impossible – Ghost Protocol* in Dubai in 2011.

Although momentum has been generated in recent years, the volume of Arabic film content is still tiny compared to the international volume. Between 2005 and 2010, the Middle East contributed only 0.72%, or 215 films out of a total of 29,965 films produced in the world during this period.[5] Furthermore, both Arabic Film and TV production are significantly below par when benchmarked with comparable markets, representing only 0.03% of GDP [Exhibit 4].

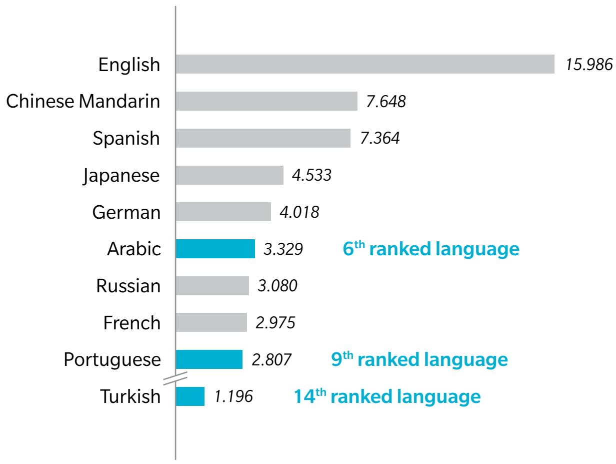
With Arabic content production still in its infancy, the emphasis in the region has been primarily on leveraging the historical and natural backdrops these countries have to offer for international film production. The region boasts a broad selection of untapped culturally-specific and exotic locations. As a result, the region has been home to several global productions, such as *The Hurt Locker* (2008) and *Transformers: Revenge of the Fallen* (2009) in Jordan, *Troy* (2004) and *Inception* (2010) in Morocco, and *The Kingdom* (2007) and *Mission: Impossible – Ghost Protocol* (2011) in the U.A.E.

International film production drawn to the region's diverse locations has helped fuel the development of the local production industry, leading to knowledge and technology transfer. Some cities are looking to expand further, by diversifying beyond just location-specific aesthetic offerings, and providing the full spectrum of production shooting needs. Dubai Studio City is taking the lead with the recent opening of three state-of-the-art sound stages and a three million square foot back-lot. This top-quality infrastructure, built to international standards, will be pivotal to achieving Dubai's ambitions within Film and TV production.

5 Source – Dubai Film and TV commission.

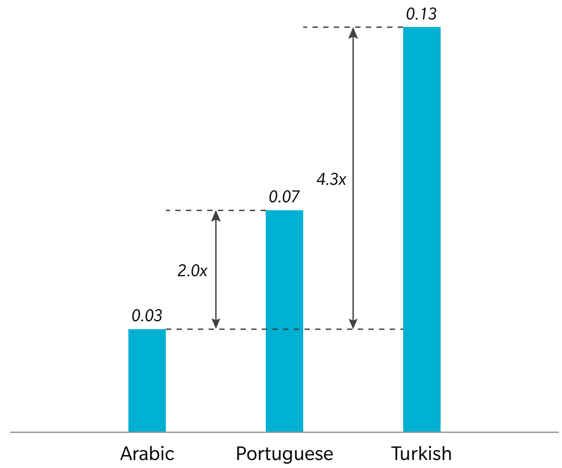
EXHIBIT 4: DEVELOPMENT OF ARABIC FILM AND TV CONTENT IS SIGNIFICANTLY BELOW PAR

GDP (PPP) PER LANGUAGE*
US$ BN (2012)



Arabic is the sixth world language in terms of GDP…

BENCHMARK OF FILM AND TV SERIES PRODUCTIVITY†
% FILM AND TV SERIES PRODUCTIONS PER GDP BN (2011)



…but it lacks in content production when benchmarking comparable markets

* Analysis considers the proportion of mother-tongue speakers in each country to estimate language GDP per country.

† Considers films produced in 2011 spoken in the given language (IMDB) and TV Series produced in Arab Countries, Brazil, Portugal and Turkey in 2011.

Sources: Oliver Wyman analysis by crossing GDP (World Bank – http://www.worldbank.org/) and Language speakers (Joshua Project – http://joshuaproject.net/); Arab TV Series production – Arab Media Forum, "Arab Media Outlook 2011-2015," p. 84; Portuguese TV Series production – "Obitel Transnacionalização da Ficção Televisiva nos Países Ibero-Americanos," pp.126, 144, 452; Turkish TV Series production – http://www.iamcr.org/medindturkey; Film production – Considers number of films in IMDB database through advanced search tool (http://www.imdb.com/search/).

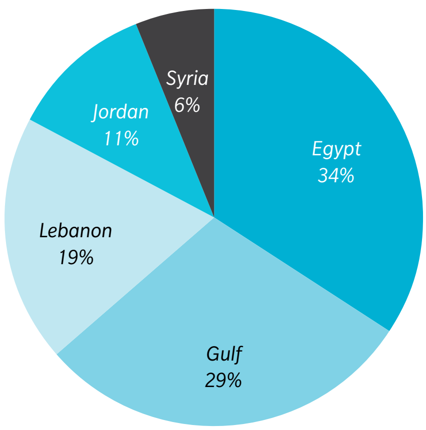
CENTERS OF TV PRODUCTION

In terms of local, pan-Arab TV content, Egypt has historically been the dominant force, producing nearly 67% of all regionally-produced TV series. Although clearly the largest production center, Egypt's content primarily services its home market, with little carry across the region [Exhibit 5]. Syrian dramas have also made their mark, offering a highly attractive opportunity to broadcasters given their low production costs. Syrian-based soaps have become a central part of Ramadan primetime programming, but have experienced serious set-backs due to the political turmoil.

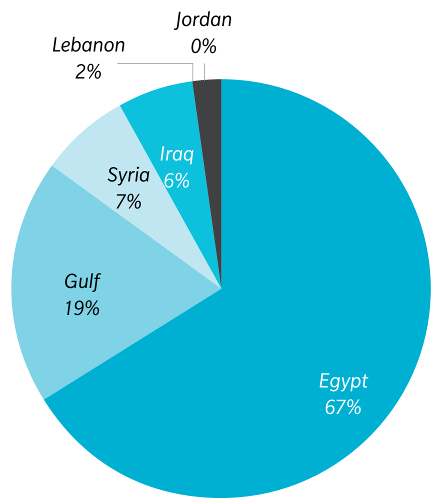
International TV content has had ample opportunity to take hold in the region. This has partly been driven by the lack of reliable TV Audience Measurement (TAM) in the region, which has caused investors to hesitate on investing in the development

EXHIBIT 5: HISTORICALLY, EGYPT HAS BEEN THE LEADER IN FILM AND TV PRODUCTION, PRODUCING NEARLY 70% OF TV SERIES AND 30% OF FEATURE FILMS

FEATURE FILMS BY PRODUCTION LOCATION 2012



TV SERIES BY PRODUCTION LOCATION 2012



Source: Expert Oliver Wyman interviews; Arab Ad, "Main production and dubbing centers in the Arab world," (October 2012), pp. 68-78; IMDB title database search by country through advanced search tool (http://www.imdb.com/search/); Oliver Wyman analysis.

of local content. Due to the lack of a systematic and accurate way of measuring the demand for content, focus has shifted toward the development of "sure-wins" with proven track-records.

This risk aversion can partly explain the explosion of dubbed Turkish series. Several early big successes paved the way for repetition of this winning formula. As a result, since 2007, 65 Turkish TV dramas have been dubbed into Arabic and shown across all major Arabic-language broadcasters.[6] The increasing demand for Turkish content is readily seen in its price, which in just five years, commands nearly fifty times its original value. Series such as *Hareem Al-Sultan*[7] have sold for US$80 to 90 K per episode, and *Kuzey Güney*[8] reached US$ 120 K per episode.[9] International formats have also made their mark in a similar way, with rights being sold to regional producers in order to be localized for shows such as *Arab Idol*, *Arab's Got Talent*, *The Voice*, and *Top Chef*.

6 Dubai Film & TV Commission; Turkishdramasblogspot.com; IMDB.com.

7 Turkish name: Muhteşem Yüzyıl (Magnificent Century). This series first aired in the Middle East in 2011.

8 First aired in the Middle East in 2013.

9 Oliver Wyman, Regional Interviews, August, 2013.

KEY REQUIREMENTS FOR A MEDIA PRODUCTION ECOSYSTEM

Although many criteria are important for the establishment of a healthy media production ecosystem, based on interviews with regional production companies, five priority areas have been identified as most necessary: locations, production infrastructure and support, incentives and investment returns, city infrastructure and safety, and access to talent [Exhibit 6].

A survey was conducted with senior production executives in the region in July 2013 in order to assess the MENA region ecosystems' performance on each of these five key areas. Despite strong performance in a few of these requirements, no MENA region ecosystem currently meets global standards across the board [Exhibit 7].

Due to the diverse landscape and natural beauty of the region, most MENA ecosystems do well in terms of location offerings. However, city infrastructure is a concern in all but the U.A.E. Additionally, production infrastructure, access to talent, and, in particular, financial incentives are not yet developed to the point that they enable the creation of a vibrant media production ecosystem.

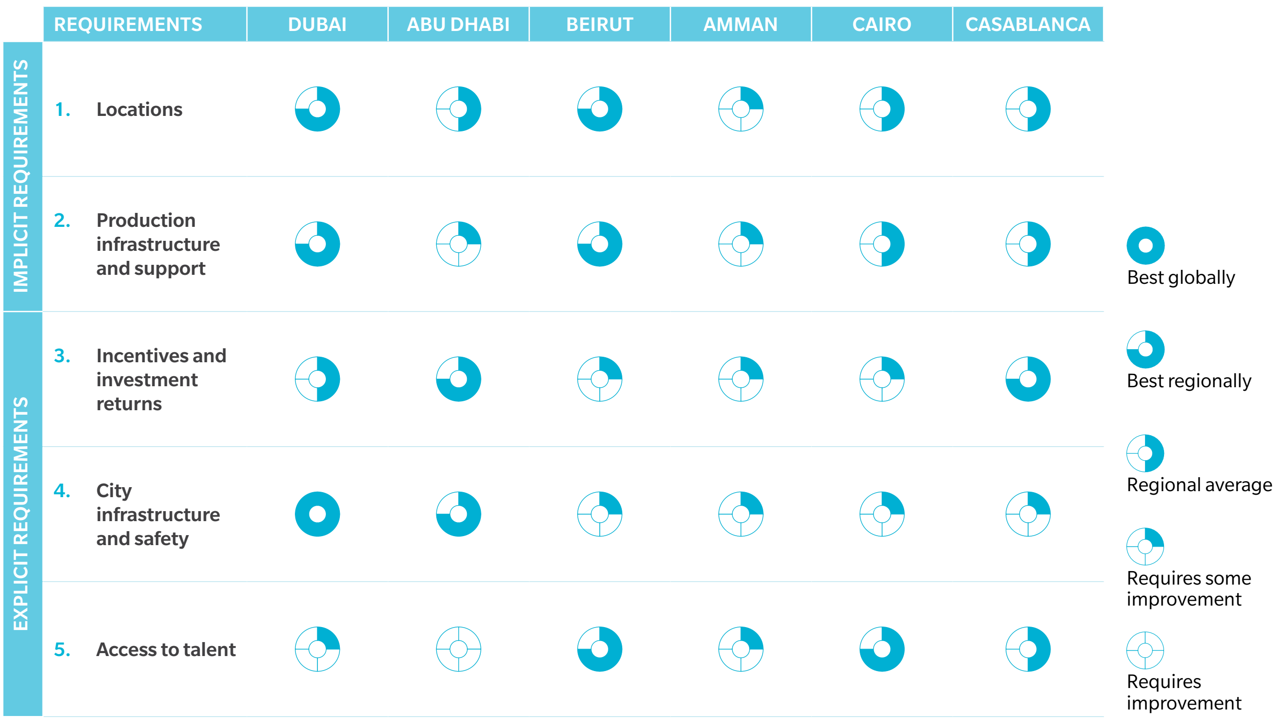
EXHIBIT 6: THE KEY TO DEVELOPING A HEALTHY PRODUCTION ECOSYSTEM DEPENDS ON FIVE MAJOR REQUIREMENTS

		IMPORTANCE	
REQUIREMENTS	**DESCRIPTION**	**TV PRODUCTION**	**FILM PRODUCTION**
1. **Locations**	Versatile offering of locations for background scenes (e.g. mountains, beaches, forest, sand dunes, rivers, city landscape)	1st	1st
2. **Production infrastructure and support**	Soundstages, workshops, green screens, and quality film equipment	2nd	2nd
3. **Incentives and investment returns**	Incentives or investment in the required tools and structure to facilitate Film and TV production activity (e.g. rebates or film funds, TV audience measurement)	5th	3rd
4. **City infrastructure and safety**	Quality infrastructure (e.g. accommodation, public transportation, well-run airport), economic stability and safety, social infrastructure (e.g. restaurants, other activities)	4th	4th
5. **Access to talent**	Availability of talent to execute all areas of production and ease of acquiring and staffing talent	3rd	5th

Source: Regional Oliver Wyman interviews and analysis.

EXHIBIT 7: NONE OF THE MIDDLE EAST HUBS YET MEET GLOBAL STANDARDS ACROSS ALL FACTORS

KEY REQUIREMENTS FOR PRODUCTION ECOSYSTEM*



* Ecosystems typically extend beyond the individual city highlighted to other areas of the country.

Source: Regional Oliver Wyman interviews and analysis.

MOVING TO THE NEXT LEVEL

How can MENA region media ecosystems take their film and TV industries to the next level? They should start by assessing their performance against the key production requirements and taking concrete steps to address their shortfalls. These include:

- Building more extensive production infrastructure
- Offering additional production support
- Extending longer-term residency to production-related freelancers
- Developing film incentives
- Improving TV Audience Measurement across the region

None of these are easily tackled, so where should they start? According to a survey conducted among top production companies throughout the Middle East, three priorities stand out with respect to their effectiveness in creating a production ecosystem and their ease of execution: developing film incentives; improving TV audience measurement; and easing residency restriction on freelancers [Exhibit 8].

Focusing on these three will help the MENA region media ecosystems make their presence felt in the global production market.

1. FILM INCENTIVES

A broad selection of film financing options exist, including subsidy funding, tax incentives, co-production, pre-sales, private investment, crowd-sourcing, or awards prizes and grants [Exhibit 9]. While these options have been adopted by other ecosystems to varying degrees throughout the world, two of the most popular methods are tax incentives and subsidy funding.

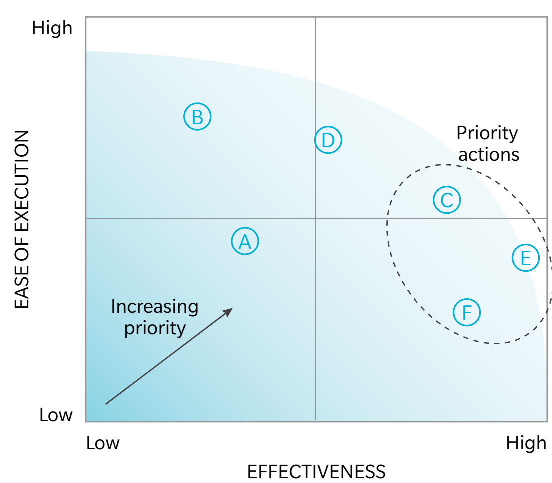
Ireland, for example, offers a 28% tax relief on production costs. New Zealand provides cash grants of 40% on local expenses for film production. Latvia, Lithuania, and Spain

EXHIBIT 8: THREE ACTIONS STAND OUT WHICH COULD DRAMATICALLY CHANGE THE MIDDLE EAST'S GLOBAL POSITION AND HELP TAKE IT TO THE NEXT LEVEL

POTENTIAL ACTIONS TO DEVELOP PRODUCTION ECOSYSTEM

- (A) Build additional infrastructure
- (B) Provide production support services
- (C) Offer longer-term residency to low level production talent
- (D) Improve visa process efficiency and clarity
- (E) Develop film incentives
- (F) Improve TV Audience Measurement across the region

PRODUCTION ECOSYSTEM REQUIREMENTS ASSESSMENT
EFFECTIVENESS IN CREATING PRODUCTION ECOSYSTEM VS. EASE OF EXECUTION



Source: Regional Oliver Wyman interviews and analysis.

provide other means of support such as state funding. In the United States, in addition to a federal incentive offering a deduction of 100% of taxes on film production costs up to US$15 MM, several states also offer tax incentives (California offers a tax credit up to 25% and Georgia up to 30%).[10]

These incentives are often tied to certain qualification criteria. In the UK, in order to be eligible for the 20% or 25% tax credit (depending on the film's budget), the film must involve a UK film production company, be intended for theatrical release, pass a cultural test, and be administered by the UK Film Council or be made under one of the UK's film production treaties. The impact of these incentives on the UK's film industry, and consequently upon its economy, are known to be substantial. Indeed, the UK Film Council estimates the UK Film production industry would be 75% smaller were it not for the incentives.[11]

While film incentives are not unfamiliar to the region, they are still relatively new. Abu Dhabi has recently shown its intention to compete in the global production market through the Abu Dhabi Film Commission's roll-out in 2012 of a 30% rebate on production spend in Abu Dhabi. This announcement generated substantial international interest, and developments, such as the collaboration with Sony Pictures Entertainment for the shooting of *Beware the Night* (expected 2015), testify to its impact.

Existing film funds for local Arabic production, such as Dubai Film Connection (DFC) and Doha Film Institute (DFI), are still limited in scale and scope, which makes financing of local films difficult. Financing for the Emirati film, *City of Life* (2009), for example, proved challenging to obtain, even with a strong script in hand.[12]

EXHIBIT 9: INCENTIVES ARE CRITICAL AND VARIED

POTENTIAL GOVERNMENT INCENTIVES STRUCTURES

INCENTIVE TYPE	DESCRIPTION
Cash rebates	A specified percentage of expenditure in a country is provided as a rebate to film producers
Tax credits	A percentage of expenditure in a country is allowed as credit against income
Exemptions	Incentives or investment in the required tools and structure to facilitate Film and TV production activity (e.g. rebates or film funds, TV audience measurement)
Cashable credits	Quality infrastructure (e.g. accommodation, public transportation, well-run airport), economic stability and safety, social infrastructure (e.g. restaurants, other activities)
Interest free loans	Availability of talent to execute all areas of production and ease of acquiring and staffing talent
Film	Funding of films through targeted selection of production that will best benefit the country/city's economy
Soft funding	Easier processing of visas, and discounts on accommodation and; travel Facilitation of road or shooting permits, assistance in identifying locations, etc.
Cultural test	Facilitation of road or shooting permits, assistance in identifying locations, etc.

Source: Oliver Wyman analysis.

10 Dr. Dan Hull, Northern Ireland Assembly, "A comparison of film tax relief schemes," January 13, 2012, at http://www.niassembly.gov.uk/Documents/CAL/5812.pdf.

11 Ibid.

12 IndieWire, "Life in Dubai: Controversial Premiere Marks First Major Emirati Feature," December, 2009.

The potential for success and demand for local film production should spur the MENA region to quickly and actively address the lack of financial incentives. Film rebates, credits, or incentives directed towards production companies are a particularly good option. A film credit system would allow a Middle East hub to target the attraction of films both locally and internationally.

Any film incentive structure should, however, be built upon clearly defined and measureable criteria, such as:

- Increases tourism industry in country
- Increases jobs in media or media related fields
- Increases IP created/registered in country

For example, given the potential benefits associated with film-induced tourism, some countries may choose to encourage those films which will best highlight the local city and generate interest in visiting it. In such a geographically-focused film incentive, target markets should be selected based on key criteria such as the size and expected growth of the country's film production industry and on how many tourists visit the country – at present and in the future.

2. TV AUDIENCE MEASUREMENT (TAM)

TV Audience Measurement enables tracking and reporting of TV viewership and is fundamental to the success of any television market. Nearly all developed and most developing markets have implemented an automatic method that provides minute-by-minute viewership ratings of all registered channels, enabling detailed analysis of program and commercial performance. This reliable, granular data creates a feedback mechanism that enables broadcasters to optimize their programming. TAM data also provides a sound, market-driven basis for content producers to be rewarded for their creative, quality content, as well as justification for further investment.

The MENA region's pan-Arab TV market suffers due to its lack of a reliable TV Audience Measurement system. The dominant rating system in the pan-Arab TV market is based on Computer Assisted Telephone Interviews (CATI) methodology. This method involves phone interviews with a sample of viewers who are asked to recall their viewing habits from the previous day. The result is 15 minute interval viewership ratings that, although indicative, are difficult to rely upon due to the inherent issues related to human recall and tendency to self-censor when reporting personal viewership habits.

As a result, the Middle East lacks the reliable, granular and timely data required to support the typical analytical methods and science behind programming used in more robust markets. This absence of data has serious implications for the Middle East TV industry, negatively impacting advertiser investment levels, stifling job creation opportunities, and diminishing the overall reputation of the industry.

In addition, without timely and reliable data, advertisers cannot be confident in their investment, and they are less likely to spend the full amount they would normally allocate to Pan-Arab TV. Thus, the Pan-Arab TV advertising market is heavily depressed compared to benchmarks. Pan-Arab TV advertising spend as a proportion of regional GDP is 2.6 times lower than Western markets and two times lower than Asia Pacific countries [Exhibit 10]. Significantly lower advertising spend has further implications down the rest of the media chain, reducing broadcaster revenue potential and thereby negatively impacting the available spend on content production.

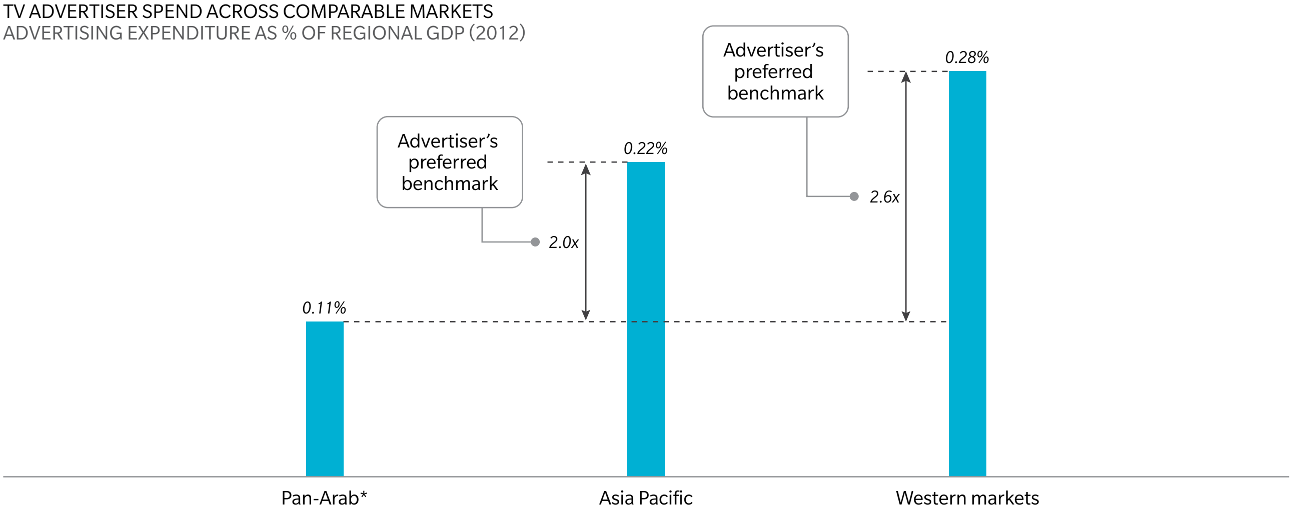
In order to address these issues and provide useful and useable data, people-meter adoption is required in three primary markets: Saudi Arabia, the U.A.E., and Egypt. Primarily due to a combination of population size and GDP per capita, these three markets are the priority focus for advertisers, comprising roughly 70% of the Pan-Arab TV advertising market.

Although there have been numerous efforts in the past to bring people-meters to the region, most have failed. More recently, governments have become involved in the effort, resulting in improved progress. Chaired by the National Media Council, the U.A.E. took the lead by officially launching people-meters in October 2012. The service consists of a sample size of 850 households and 58 registered channels and is managed by the international TV Audience Measurement provider, Kantar. Despite three previously failed attempts, Saudi Arabia is also gaining traction with the Ministry of Culture and Information (MoCI) launching a fourth initiative. This service is expected to be launched in Saudi Arabia by the end of 2014.

Implementation and adoption of people-meters would create a virtuous circle: It would simultaneously fix the feedback mechanism from content creation to content monetization and drive the demand for local production. It would also lead to increased confidence in the market by generating international investment and result in a shift of advertising spend from other traditional forms of advertising (such as print) towards TV. Programming and content creation decisions would then be approached with more analytical rigor, resulting in better understanding and appropriate rewarding of quality content. Oliver Wyman estimates

EXHIBIT 10: ADVERTISERS SIGNIFICANTLY UNDERSPEND COMPARED TO BENCHMARKS, NEGATIVELY IMPACTING THE ENTIRE TV VALUE CHAIN

TV ADVERTISER SPEND ACROSS COMPARABLE MARKETS
ADVERTISING EXPENDITURE AS % OF REGIONAL GDP (2012)



* Pan-Arab defined as advertising on TV that has a GCC focus. Satellite TV specific to an individual country or terrestrial TV is considered Non Pan-Arab.
Asia Pacific: China, India, Indonesia, Malaysia, Pakistan, Philippines, Singapore, South Korea, Thailand, Vietnam.
Western markets: North American and Western Europe.
Source: Zenith Optimedia, "Advertising Expenditure Forecasts" (October 2012); Oliver Wyman interviews and analysis.

suggest the impact of this measure alone would lead to an estimated tripling of broadcaster spend on TV content [Exhibit 11]. There is also the potential of exporting this content, as Turkey has done with TV series in the Middle East.

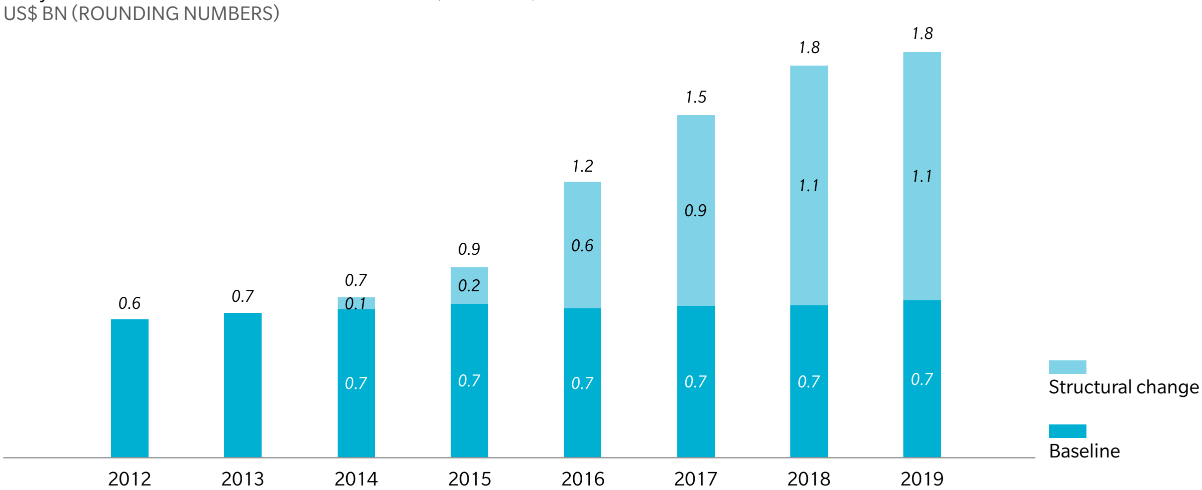
Implementation of people meters will raise many challenges, not least the development of the skillsets and analytical approaches needed to leverage the data and fundamental changes to how advertising is sold. The potential benefits to the Middle East TV industry, however, far outweigh these challenges.

3. TALENT ACCESSIBILITY

A vibrant and healthy production ecosystem also requires access to all layers of production talent, from directors, producers, and actors, to camera crew, lighting crew and costume crew. Although some parts of the Middle East, like Egypt and Lebanon, are known for having suitable talent availability, the GCC in particular is significantly below par. To date, the media ecosystems in the GCC have been able to grow with the available talent given the current level of their production industries, but this is not sustainable in the long run.

EXHIBIT 11: AN EFFECTIVE TAM SYSTEM COULD INCREASE THE BROADCASTER SPEND ON CONTENT BY 2.8X BY 2018

PROJECTED BROADCASTER SPEND ON CONTENT (PAN-ARAB)*
US$ BN (ROUNDING NUMBERS)



Note: Production market size refers to the amount spent by broadcasters on content excluding news and sports. Current content spend by broadcasters estimated at ~85% of revenues. By 2019, broadcaster content spend expected to reduce to 75%.

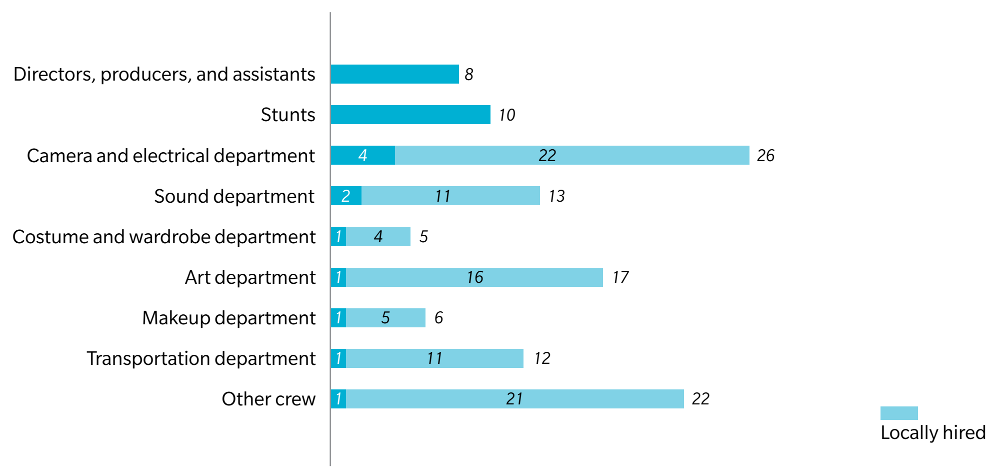
Source: Oliver Wyman analysis of GDP forecasts (World Economic Outlook Database / IMF – October 2012), advertising expenditure forecasts (Zenith Optimedia, "Advertising Expenditure Forecasts,"(2012)), Share of Satellite TV by country (WTVIS 2012), and expert Oliver Wyman interviews.

Addressing this issue means tackling the constraints that accompany assembling freelance talent quickly and efficiently around projects. Principal among these constraints are the visa policies of the GCC countries. By definition, independent of company affiliation, freelancers often find the requirements for company sponsorship for residency visas difficult to meet. As a result, the GCC has a very limited pool of resident freelance talent to draw on, which hampers not only the GCC's ability to develop local content, but also its ambitions of making itself an attractive production location for foreign filmmakers or TV producers, who may face challenges in bringing in freelancers from abroad.

By way of example, assume there is a mid-sized feature film considering a MENA location [Exhibit 12]. While foreign production companies typically fly in the above-the-line talent (such as directors, producers, and actors) they prefer to get below-the-line support from locally hired freelancers. If these freelancers are not available, costs and complexities begin to pile up. Besides the incremental financial cost associated with the visas, hotels, and

EXHIBIT 12: THE MENA REGION SHOULD FOCUS ON ADDRESSING ITS VISA ISSUES, WHICH ADD A POTENTIALLY UNNECESSARY BURDEN TO FILM PRODUCERS

EXAMPLE: MID-SIZE FEATURE FILM PRODUCTION REQUIREMENTS



Potentially 90 local staff are required for the production of a movie. If 50% of all staff need to be flown in, it would increase costs by up to US$850,000.

Note: Incremental costs due to flights, hotels, and visas; average flight assumed to be $500; average hotel night assumed to be $250; length of shoot assumed to be 90 days; visa is AED 3,000.

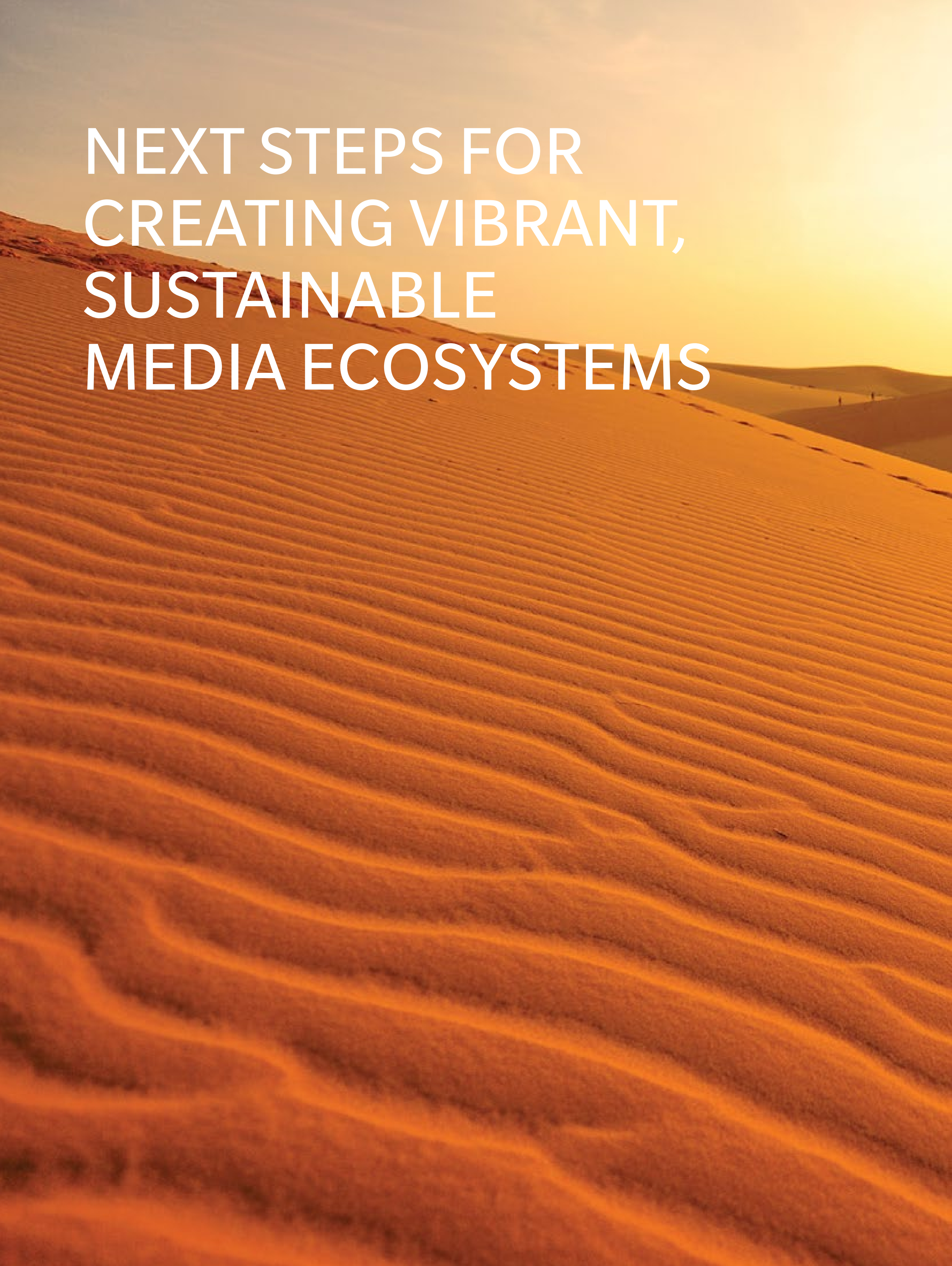
Source: Oliver Wyman analysis based on production crew of three movies (budget below US$10 MM) in UK, US and UAE, excludes pre- or post-production crew and extras. Number hired locally based on expert Oliver Wyman interviews.

flights for an additional 45 individuals (estimated to be approximately US$850,000) the associated hassles and potential delays bring additional management costs. Submitting and processing the visas and orchestrating the flights and hotels all require additional time, work, and potentially a small team to manage. Not surprisingly, production companies might simply balk and look elsewhere.

Several short-term options exist for Gulf countries to improve the situation, including relaxation of visa restrictions, better definition of visa policies, and a streamlined visa process. However, in order to truly address the situation in the long term and create a community of talent, the media ecosystems should investigate the creation of a Talent Pool Agency.

A Talent Pool Agency would help foster an ecosystem of production talent by selecting and maintaining a database of freelancers who could support all areas of Film and TV production. The freelancers' visas would be provided through the company and control and regulation would be maintained in order to ensure the country's ideals and policies are upheld. Once established, the company could also provide training and create a mini-ecosystem to encourage knowledge transfer and maintain a talent pool adaptable to diverse project requirements.

NEXT STEPS FOR CREATING VIBRANT, SUSTAINABLE MEDIA ECOSYSTEMS



Several MENA countries have entered the production market with real conviction, showing strong growth in just a few years. Their attractive film locations, increasingly supportive governments, and improving production infrastructure implicitly make them well suited to take their production industries to the next level. However, success will require focused attention on addressing the main roadblocks still hindering their growth.

The MENA region media ecosystems should evaluate how they fare against each of the fundamental requirements needed to create a vibrant production industry. They should systematically review their performance, identify major challenges, and set priorities. Special attention should be placed on the three priority actions (developing film incentives; improving TV audience measurement; easing residency restriction on freelancers) described above and on specific ways to implement them.

So what, specifically, should key players in the MENA ecosystems do next?

1. FILM INCENTIVES

The right incentives could further enhance the attractiveness of MENA locations and ecosystems and convey a range of positive social and economic benefits that will create a virtuous cycle. As a result these ecosystems should look to establish a formalized film incentive structure.

In order for this to be effective, the primary players involved should be addressing several key questions:

Local governments:

- What is the best way to organize the incentive structure in order to maximize its effectiveness without adversely impacting the rest of the media ecosystem?
- What direct economic, indirect economic, and social benefits are expected? As a result, what amount should be allocated to the incentive?

Film incentive provider:

- What should be the focus of the incentive? Should it be geographic? If so, which markets are the best to target? Which markets have the most potential to drive increased tourism?
- What should be the criteria and weightings used to evaluate each film (e.g. degree of city exposure, suitability of content, expected level of film exposure, expected production quality)? How can these criteria be tangibly measured and communicated?

Production companies:

- Does the film incentive structure provided meet our needs?
- How does it change the overall proposition of the country compared to other locations?

2. TV AUDIENCE MEASUREMENT

Given the regional nature of the Pan-Arab TV market, every effort should be made to drive people-meter implementation and adoption not only in a country's home market, but also across the rest of Middle East & North Africa. Recent experience in the U.A.E. clearly indicates government involvement is crucial for real change to occur. Cross-collaboration and support among governments, as well as government endorsement, would help take this effort to a new level.

Once a critical mass of people-meter adoption has been achieved, actual results will still require additional effort. There will need to be a shift in the entire way advertising is currently sold.

In order to bring about and prepare for this new environment, all stakeholders involved should ask themselves key questions:

Local governments:

- What is the most effective way to support the people-meter effort nationally and regionally?
- Are there certain strategies we can put in place to incentivize the people-meter initiative in order to ensure the TV industry can grow?

Production houses and broadcasters:

- Do we have the internal abilities to analyze this kind of data? If not, how can we develop them (e.g. through training or recruiting)?
- How can we partner with advertisers, advertising agencies, and ad reps to ensure production budgets are properly aligned to the anticipated return of the ads?

Advertising agencies and Ad reps:

- How will we react if the data challenges our business assumptions or practices? Are we willing to reallocate production budgets to accounts that will ultimately drive the greatest ROI?
- How will we interact with those who refuse to change both internally and externally?

3. ACCESS TO TALENT

Given the existing visa policies in the Gulf, the creation of a Talent Pool Agency may be one of the most difficult to implement. It is crucial, therefore, for the objective and plan associated with such an effort to be well defined. Time needs to be taken to outline exactly how the Talent Pool Agency would operate. The potential benefits would need to be quantified to justify such an effort and the key risks must be identified, with mitigation tactics established in order to address them.

Several areas should be thoroughly examined by all affected players:

Local governments:

- What model will best support the creation of a freelance talent base?
- What processes need to be in place to ensure smooth execution? What safeguards are required to deter abuse of the system?
- How can local talent in universities be linked to these talent agencies or other incentives?

Talent Pool Agency:

- What specific talent should be targeted and how will it be acquired?
- Are there existing pockets of local talent that can be creatively leveraged, or will most be obtained from abroad?
- What are the KPIs that will be used to measure the success of the Talent Pool Agency? What processes and tools are needed to track these KPIs?

Production houses and broadcasters:

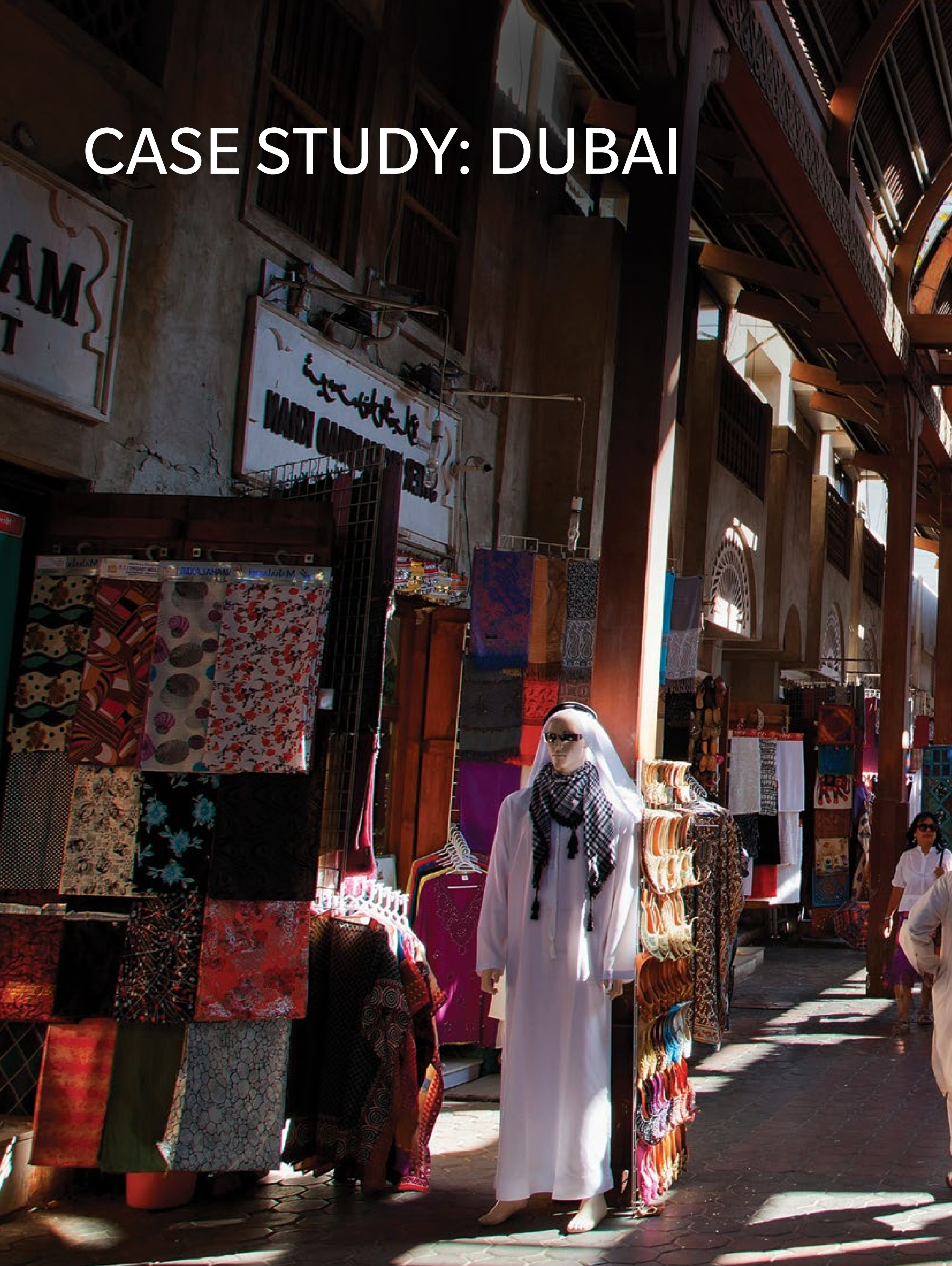
- Is the level of talent available in the media ecosystem adequate?
- Where can we find the talent required? How can we help the Talent Pool Agency acquire it?
- How can we encourage the development of production talent and foster knowledge exchange to create a vibrant ecosystem to support the industry?

*****

If implemented, these initiatives will have enormous impact in lifting the MENA region production ecosystems to the global level. Their local media content production will thrive, confidence will grow, international investment and interest in the region will expand, and talent will be drawn in.

Those ecosystems that address their main issues in the timeliest fashion will likely benefit from a first-mover advantage, becoming known as “The Leading Production Ecosystem” in the MENA region and reap the rewards that a robust production ecosystem can offer.

CASE STUDY: DUBAI



OVERVIEW

Dubai presents a useful case example because its recent history illustrates both the challenges to building a world-class media ecosystem and the means to overcome them. Most notably, Dubai shows how a focus on major priorities can have a significant impact in a relatively short period of time.

Two primary drivers have fueled the creation of Dubai's existing media ecosystem. First, Dubai understands the importance of diversifying its economy. Historically a trading hub, Dubai has used its oil reserves to spur infrastructure development in order to diversify and position itself for long-term growth and sustainability. Second, Dubai recognizes the many indirect and direct benefits a vibrant media ecosystem can provide. As a result, Dubai's government has made the development of a sustainable, vibrant media ecosystem a focal point of its strategic vision for the future, as seen in primary strategy documents such as "Dubai Strategic Plan 2015" [Exhibit 13].

For example, Dubai's TECOM Media Cluster has taken measures to: ensure ease in doing business, build the necessary infrastructure, and to develop the talent and financing required to move to the next level. Thanks to its many business parks it has established itself as an economic hub, hosting nearly 5,000 companies, with over 1,800 of them located within its Media Cluster (Dubai Media City, Dubai Studio City, International Media Production Zone), spanning the entire media value chain.

EXHIBIT 13: STRATEGIC OBJECTIVES FOR THE MEDIA INDUSTRY ARE IN LINE WITH THE GOVERNMENT OF DUBAI'S STRATEGIC PLAN

DUBAI'S GOALS	OBJECTIVES
Economic development	• Increase tourism industry in Dubai • Increase jobs in Dubai • Increase IP created/registered in Dubai • Increase advertising spend in Dubai • Increase foreign direct investment to Dubai • Increase number of SMEs established in Dubai
Social development	• Increase cultural offerings to UAE nationals • Increase cultural offerings to all Dubai communities • Increase employability of media graduates from local schools • Strengthen CSR (corporate social responsibility) initiatives
Infrastructure, land, environment	• Increase physical resources serving industry • Strengthen regulatory system • Improve company registration process • Ensure optimal use of infrastructure for related opportunities
Human capital	• Increase and strengthen Dubai-based talent pool • Increase presence of leading media/cultural institutions and companies in Dubai • Improve Dubai's position on Global Innovation Index
Brand equity	• Increase Dubai brand equity • Position Dubai as a global media, entertainment and cultural hub

Source: Dubai Film and TV Commission (http://www.dubaifilmcommission.ae/about-dftc/).

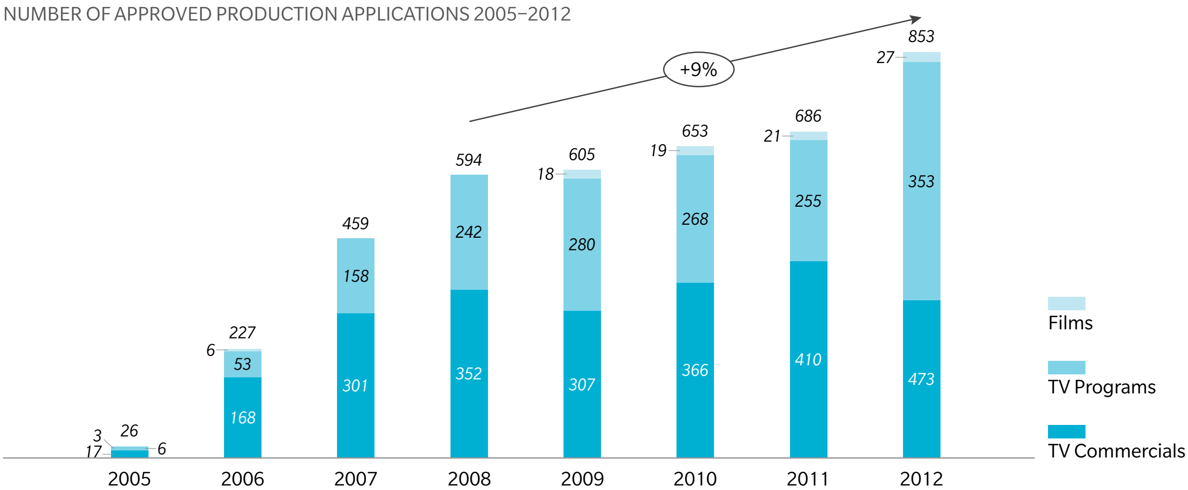
Due to this focused effort and facilitation from the government and private entities, in less than a decade, Dubai has experienced significant growth in media production. In fact, and even taking the 2008 recession into account, Dubai production experienced a 9% CAGR through 2012 [Exhibit 14]. Dubai's film production industry has grown over the last few years, including *Syriana* (2005) and growing to 19 films being shot in 2012, originating from various countries such as the U.A.E., India, United States, China, Germany, and France.

Indeed, Dubai's film production industry has benefited from an existing production capability for TV programs and commercials and from being an attractive shooting location. Advertisers have been consistently drawn to its diverse location offerings, enabling it to develop a sustainable, year-round industry. This can be seen through the significant percentage of Dubai-based crew deployed on large film productions shot in Dubai such as *Syriana* (2005), *Mission: Impossible- Ghost Protocol* (2011), *Switch* (2012), and *The Bourne Legacy* (2012).

2012 proved to be a milestone year for the city when His Highness Sheikh Mohammed bin Rashid Al Maktoum, Ruler of Dubai and Vice President of the U.A.E., inaugurated Dubai-based MBC Group's O3 drama production studios, a state-of-the-art facility running on an area of 15,000 square feet. Sheikh Maktoum bin Mohammed bin Rashid Al Maktoum, Deputy Ruler of Dubai and Chairman of Dubai Media Incorporated and MBC Group Chairman Waleed bin Ibrahim Al Ibrahim were also in attendance.[13] This is

EXHIBIT 14: IN LESS THAN A DECADE, DUBAI HAS EXPERIENCED SIGNIFICANT GROWTH IN FILM AND TV PRODUCTION

DUBAI FILM AND TV PRODUCTION
NUMBER OF APPROVED PRODUCTION APPLICATIONS 2005–2012



Source: Dubai Film & TV Commission; Oliver Wyman analysis. Data excludes media productions other than films, TV programs and TV commercials.

13 Khaleej Times, "Mohammed opens MBC studios," July 2013, at http://www.khaleejtimes.com/nation/inside.asp?section=nationgeneral&xfile=/data/nationgeneral/2013/july/nationgeneral_july262.xml.

one of three sound stages launched, which boasts cutting-edge technology in the form of a "visual back-lot" compiled by Stargate global production technology and green screen technology.

This MBC-Dubai Studio City partnership marks a big step forward in Dubai's evolution from mainly news and TV commercials to greater scripted, long-form original content development.

Dubai shows strong potential to become a global production hub. Even increased exposure of its current offerings could help drive substantial growth. However, at the same time, Dubai has faced (and continues to face) many of the challenges confronting the region's other media ecosystems. An understanding of how Dubai has met and will continue to meet these challenges will prove helpful to other ecosystems as they attempt to grow and succeed.

LOCATIONS

Primarily thanks to its natural, versatile locations and aspirational image, Dubai has begun attracting large film productions in the last few year. Dubai has a diverse selection of attractive locations that can be used for storylines set in the city itself, or that can stand in for any other part of the world. As a result, Dubai has earned a reputation as a stand-in for other locations. For example, in *The Bourne Legacy* (2012), Dubai represented Pakistan and in *Mission: Impossible- Ghost Protocol* (2012) particular shots were designed to represent India. Vast desert landscapes, beautiful sandy beaches, rustic villages, deserts, creeks, a vibrant city skyline, glamorous malls, the tallest building in the world (the Burj Khalifa) and covered spice and fabric bazaars enable Dubai to satisfy whatever producers' appetites may desire.

"Dubai is anything and everything"

– Dubai Production Co.

"Dubai is perceived as being glossy, high-tech. It can double for any city in the Gulf...This is one country where I would like to shoot everywhere"

– Dubai Production Co.

PRODUCTION INFRASTRUCTURE AND SUPPORT

In the past, Dubai's production infrastructure was suited primarily to broadcast TV production. The boutique studios in Dubai Studio City and other studios throughout the Emirate typically range in size from 1,000 to 3,000 square feet, making them ideal for smaller, daily TV productions, but not suited for feature films or complex TV sets. However, recent notable advances have been made including most notably, the opening of three state-of-the-art sound stages and the creation of the Dubai Film and TV Commission (DFTC).

One of the sound stages measures 15,000 square feet, and the other two are 25,000 square feet each [Exhibit 15]. They are built to international standards and come fully equipped with workshops, production offices, warehouses, dressing rooms and water tanks. Each soundstage offers top-level production infrastructure never before seen in the region, thereby complementing the attractive outdoor locations and enabling a full range of year-round shooting preferences. MBC, the largest pan-Arab broadcaster, has already taken advantage of this new infrastructure, setting-up its base in one of the sound stages. The complex also boasts a three million square foot back-lot that provides the opportunity for set building and outdoor action scenes that can be used for Film and TV production alike.

DFTC was created in June 2012 with a mandate to increase local production and attract international production across all media sectors, in accordance with Dubai's 2015 Strategic Plan. The advent of DFTC has led to significant progress in organizing

EXHIBIT 15: DUBAI HAS INVESTED IN BUILDING PRODUCTION INFRASTRUCTURE AND THE CREATION OF DFTC, PLACING IT AMONG THE TOP IN THE REGION

STATE OF THE ART SOUND STAGES IN DUBAI STUDY CITY

DUBAI FILM & TV COMMISSION (DFTC)

Created: June 2012

Mandate:

- Serves as one stop shop for producers, crews, and filmmakers to ensure seamless filming experience in Dubai
- Promotes production across a range of mediums, including film, television, corporate videos, commercials, online content, and other new media
- Liaises with all government entities and location owners to issue shooting permits for public and private properties in Dubai
- Offers opportunities to reduce the cost of filming in Dubai through a range of customized incentives

"We have had huge support from all government departments. DFTC has been really helpful. They have a real and conscious will to develop the film industry... at the end of the day, it's a team effort. If there's good will, then it can happen."

– Dubai Production Co.

Source: Regional Oliver Wyman interviews; Dubai Film & TV Commission (http://www.dubaifilmcommission.ae/about-dftc/); Oliver Wyman analysis.

and streamlining the production process, reducing any bureaucratic difficulties that were previously experienced. DFTC serves as a one-stop-shop for all production companies in Dubai, and ensures they are able to access all required production resources in a timely and cost-effective manner. In line with this, DFTC is developing an automated system that will link government agencies and private parties, making it easier for filming applications to be processed.

DFTC has already made a significant impact on the production industry. It has helped Dubai expand beyond TV commercials, establishing a solid pipeline of films and TV serials from around the globe, including the United States, Europe, and India.

The first half of 2013 has already seen the completion of notable productions from Bollywood and South India. The second half of the year looks equally exciting, with plans for leading Indian production company Red Chillies to shoot the majority of their latest film, *Happy New Year*, in Dubai. The film's all-star cast includes some of India's biggest names, including Shah Rukh Khan and Deepika Padukone.

Major international TV productions have also filmed in Dubai this year, both in Dubai Studio City soundstages and on-location. *MasterChef Australia* recently filmed special episodes in Dubai, where the city received praises from the producers for being a top notch filmmaking destination – physically, aesthetically, and technically. The episodes were broadcast in Australia on 11th and 12th of August and were among the highest ranked programs during the day respectively.[14]

INCENTIVES AND INVESTMENT RETURN

Dubai, similar to the rest of the Middle East, still lacks a formal incentive structure. It attempts to reduce production costs by offering soft incentives such as covering travel expenses, accommodation, location fees, and fees for production resources are insufficiant. Although these soft incentives can reach levels up to 20% of the production's cost, they are granted on a case-by-case basis and are variable due to seasonal restrictions and the absence of a formalized incentive system.[15]

CITY INFRASTRUCTURE, SOCIETY, AND SAFETY

Dubai's city infrastructure and safety is the best in the region and on par with other global production hubs. In 2012, Dubai ranked 34th (tied with Madrid and Melbourne) in terms of its city infrastructure, offering some of the best public transportation, accommodation, and airport connectivity in the world.[16] From a travel perspective, Dubai is at the center of the world both physically and socially. Physically it is situated between Asia and the West, connecting the world as a major transit hub. With direct flights to over 130 global destinations, Dubai offers easy access for both crew and equipment to come into the country when required. Socially, Dubai offers an eclectic mix of cultures and communities all in one place, enabling it to provide the basis and create a home for all types of production from around the world.

14 Figures quoted represent ratings in Sydney, Melbourne, Brisbane, Adelaide & Perth. 11-Aug had 699,000 viewers (ranked 13th among other shows that day) and 12-Aug had 734,000 (ranked 15th among other shows that day). Source: http://www.tvtonight.com.au/category/ratings.

15 Dubai Film & TV Commission.

16 Mercer, "Quality of Living Worldwide Rankings Survey," 2012, at http://www.mercer.com/qualityoflivingpr#city-rankings.

Dubai is also a top performer in the region in terms of risk, ranked 19th according to AON Hewitt's risk ranking.[17] Dubai's relative freedom from corruption and political instability sets it apart from the issues endemic to most cities in the Middle East. [Exhibit 16]

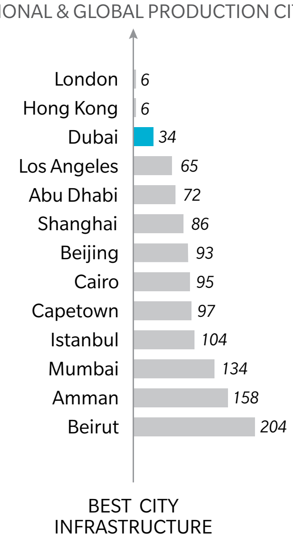
ACCESS TO TALENT

One of the critical components of a successful ecosystem is the readily available talent pool, from actors and scriptwriters to sound engineers and crane operators. Dubai still has challenges in its access to production talent, particularly for above-the-line positions. Given the size of its current Film and TV industry, Dubai has so far been able to manage with the talent available. However, as Dubai looks to continue its growth, the lack of local freelancers will become a more pressing issue.

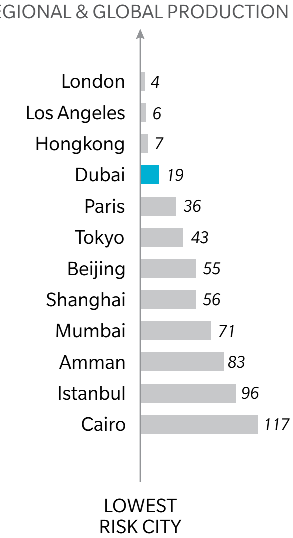
For mid- to large-sized film productions, the supporting production talent including lighting, costume, and make-up crew, is ideally hired from the local market. Although freelance visas are currently offered, the time it takes (as well as the cost) may make it potentially cumbersome for production companies to quickly and efficiently hire talent.

EXHIBIT 16: DUBAI'S INFRASTRUCTURE IS THE BEST IN THE REGION AND ON PAR WITH GLOBAL PRODUCTION HUBS

CITY INFRASTRUCTURE RANKING*
REGIONAL & GLOBAL PRODUCTION CITIES



CITY RISK
REGIONAL & GLOBAL PRODUCTION CITIES



"[Dubai has] first rate infrastructure... It makes a difference"
– Dubai Production Co.

"One of the biggest pros to production in Dubai is its infrastructure"
– Dubai Production Co.

* Based on measures of electricity, water availability, telephone, mail, public transportation, traffic congestion, and airport effectiveness.
† Based on measures including demographics, government support, education system, talent development, employment practices.
Sources: City infrastructure ranking based on *Mercer Quality of Living Worldwide Rankings Survey* (2012); city risk ranking based on AON Hewitt, *People Risk Ranking 2013*; Regional Oliver Wyman interviews and analysis.

17 AON Hewitt, "People Risk Ranking" 2013, at https://aonpeoplerisk.com/2013-Update/Rating-and-Ranking-Update

Given the challenges in growing an organic, home-grown talent pool, the city and government entities need to focus on creating specialized immigration or work-permit systems that allow the regulated immigration of certain categories of workers. In addition, academic institutions should play a part in fostering the growth of these vocations by including them as part of their curriculum. Given Dubai's young population and diverse communities, as well as its convenient geographic location, there is potential for a great influx of media production-related freelancers once a comprehensive solution to the visa issue is implemented.

CONCLUSION

The success of Dubai's media ecosystem to date lays out a roadmap of the opportunities and challenges for other ecosystems in the MENA region. Dubai has already leveraged the "low hanging fruit" provided by diverse locations and a rapidly improving infrastructure, and it has recently ventured into providing regulatory frameworks and efficient processes to ensure a seamless production experience. Going forward, it must overcome challenges such as financial incentives and local talent pool to establish itself as a global media hub.

ABOUT OLIVER WYMAN

Oliver Wyman is a global leader in management consulting. With offices in 50+ cities across 25 countries, Oliver Wyman combines deep industry knowledge with specialized expertise in strategy, operations, risk management, and organization transformation. The firm's 3,000 professionals help clients optimize their business, improve their operations and risk profile, and accelerate their organizational performance to seize the most attractive opportunities. Oliver Wyman is a wholly owned subsidiary of Marsh & McLennan Companies [NYSE: MMC], a global team of professional services companies offering clients advice and solutions in the areas of risk, strategy and human capital. With over 53,000 employees worldwide and annual revenue exceeding $11 billion, Marsh & McLennan Companies is also the parent company of Marsh, a global leader in insurance broking and risk management; Guy Carpenter, a global leader in providing risk and reinsurance intermediary services; and Mercer, a global leader in talent, health, retirement and investment consulting. For more information, visit www.oliverwyman.com. Follow Oliver Wyman on Twitter @OliverWyman.

ABOUT DUBAI FILM AND TV COMMISSION

The Dubai Film and TV Commission (DFTC) seeks to establish Dubai and the UAE as a filming destination for local, regional and international productions. It assists productions in Dubai by serving as a one-stop shop for producers, crews and filmmakers to ensure that filming in Dubai is as easy and efficient as possible. It promotes productions across a range of mediums, including film, television, corporate videos, advertisements, online content and other new media. For more information visit www.dubaifilmcommission.ae.

For more information, please contact:

JEFF YOUSSEF
jeff.youssef@oliverwyman.com

www.oliverwyman.com

OLIVER WYMAN