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## THR COVER STORY

## Inside Saudi Arabia's Billion-Dollar Bet on Hollywood

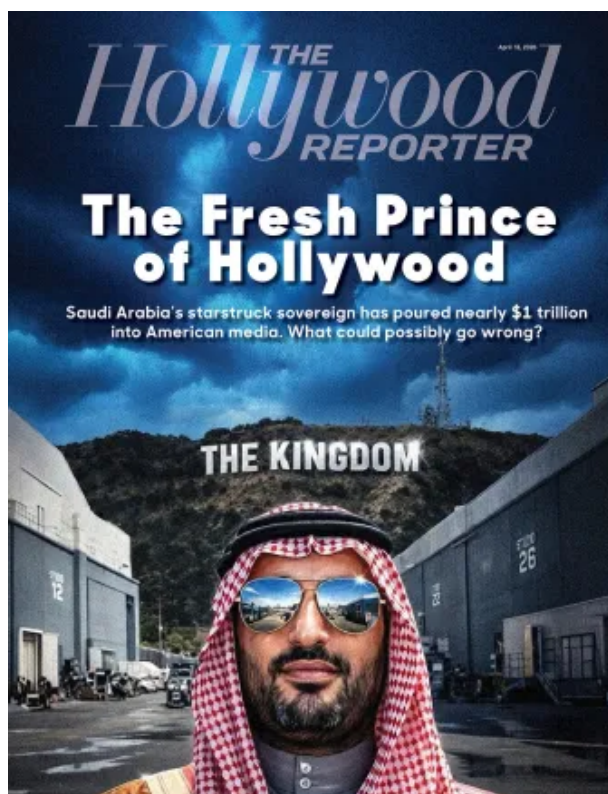
The Saudis are pouring billions into the Ellisons' Warner Bros. megamerger — and that's just the latest move in a Hollywood takeover that's really about courting Trump, buying Washington influence and giving a restless young population bread and circuses instead of human rights.

BY SCOTT ROXBOROUGH APRIL 13, 2026





On a weekday night in Riyadh, close to 10 p.m., the lobby of a newly built multiplex hums with the low roar of a city that has discovered the movies. Teenagers cluster around concession stands, families drift toward escalators, and showtimes stretch deep into the early hours — 1 a.m., 2 a.m., even later — timed to a climate that keeps life indoors until after dark. Inside one auditorium, a late screening of *28 Years Later: The Bone Temple* unspools before a mixed crowd. The graphic, R-rated horror film embraces themes of satanism and references to a notorious British pedophile. But a woman in a burka settles into her seat, apparently unperturbed, balancing popcorn and a drink discreetly beneath the fabric. She watches without hesitation as the gore plays out onscreen. The only overt censorship involves nudity — a particularly well-endowed zombie, naked in the original, is given a discreet pair of digitally added cycling shorts.



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The scene feels jarring only to outsiders; for local audiences, it is simply another night at the movies. Eight years ago, there were no cinemas in **Saudi Arabia**. Today, there are multiplexes, comedy festivals, esports arenas and a Red Sea **International** Film Festival red carpet designed to rival Cannes.

Even the war in neighboring Iran, which has seen drone attacks directed at Saudi Arabia, has, so far, had little impact on Riyadh nightlife. Cinemas remain open and



That rapid cultural shift helps explain why Saudi Arabia is now spending billions far beyond its borders. The Kingdom's bet on entertainment at home has been matched by an equally ambitious push abroad — one that is rapidly reshaping Hollywood's balance sheet.

(Saudi-based investment extends to the parent company of *THR*; SRMG, a publicly traded media firm in Saudi Arabia, is a minority investor in PMC, co-owner of *THR*.)

Eight thousand miles away, that same strategy may help finance one of the most consequential deals in entertainment history. Paramount Skydance's proposed \$110 billion takeover of Warner Bros. Discovery — a merger that would unite Paramount's century-old IP library with HBO, CNN and Warners' global television assets — is being powered by \$24 billion from Gulf sovereign wealth funds, including Saudi Arabia's Public Investment Fund (PIF), and capital from the Qatar Investment Authority and Abu Dhabi's L'Imad Holding Co. The filing by Paramount Skydance with the Securities Exchange Commission did not outline how much the funds planned to contribute, but sources familiar with the investment said the total amount was around \$24 billion, with Saudi Arabia's PIF contributing about \$12 billion, and sovereign wealth funds for Abu Dhabi and Qatar putting up around \$6 billion each. Paramount declined to comment.

The Saudis backing the Warner Bros. deal represents more than just another international investor taking a financial stake in Hollywood. For Riyadh, the deal offers the House of Saud proximity to American media power — and, potentially, to the political ecosystem that surrounds it.

On paper, the investors are passive. The filing notes that the sovereign wealth funds will have no governance rights in Paramount-Warner Bros. It's a setup designed to help the Paramount-WBD merger secure regulatory approval without triggering an investigation by the Committee on Foreign Investment in the United States. Speaking to CNBC on March 3, on the sidelines of the Mobile World Congress in Barcelona, Spain, FCC chairman Brendan Carr confirmed he expected the merger to be approved “pretty quickly.”

But in Hollywood — and in Washington — few believe that \$24 billion won't come with strings attached, particularly for a deal that will include CNN, HBO and a film catalog with rights to Batman, Superman and Harry Potter.

For many analysts, the investments are best understood as part of a broader effort to reshape how the Kingdom is perceived abroad.



economist who heads the Africa and Middle East Division at the German Institute for International and Security Affairs in Berlin. “It’s about rebranding the image of Saudi Arabia in the West.”

Roll argues the Saudis are following the same game plan as Qatar and the United Arab Emirates, which have spent years strategically investing in media and entertainment assets, in part to burnish their public reputations abroad. Qatar owns the news network Al Jazeera and the European soccer club Paris Saint-Germain and holds a majority stake in Miramax (the rest being held by Paramount). UAE’s front-facing entertainment assets include Premier League club Manchester City and a 50 percent stake in the Jeff Zucker-run Redbird IMI, the group that just inked an \$8 billion deal to merge Banijay (*Peaky Blinders*, *MasterChef*) and All3Media (*The Traitors*) to create the world’s largest independent TV production house.

The Saudi investments have followed a similar pattern. In 2021, PIF acquired Newcastle F.C., another Premier League team. Last year, the fund took full control of Saudi-based MBC Group and its news network Al Arabiya, a regional competitor to Al Jazeera.

“If anything, the Saudis are playing catch-up” in the soft power game, notes Kristian Coates Ulrichsen of the Baker Institute for Public Policy in Texas.

## BEYOND SOFT POWER



But not everyone is convinced soft power is the main incentive for Saudi investment.

“The image-refurbishing is less important, largely because it doesn’t work,” says F. Gregory Gause III of the Middle East Institute in Washington.

Public opinion toward Saudi Arabia in the West has remained stubbornly negative despite years of high-profile investments in sports, entertainment and media, he argues, suggesting the real goal lies elsewhere: political influence in Washington and legitimacy at home, rather than a wholesale shift in Western perceptions.

This rebranding effort became particularly important after the 2018 murder of *Washington Post* journalist Jamal Khashoggi, a killing, according to the CIA and a 2021 U.S. intelligence report, that was approved by Crown Prince Mohammed bin Salman — Saudi Arabia’s de facto ruler, known as MBS. In the immediate aftermath of Khashoggi’s killing, Hollywood briefly recoiled from Saudi-backed projects. Endeavor returned a \$400 million PIF investment and Legendary Entertainment walked away from talks that would have seen the Saudis take a stake in the company. Top executives canceled trips to MBS’ Future Investment Initiative conference in Riyadh, dubbed “Davos in the Desert.”

But the corporate chill that followed Khashoggi’s killing didn’t last long. Hollywood quickly returned to Saudi Arabia, encouraged by Washington, which re-engaged with Riyadh during the Ukraine war to stabilize oil prices.

“That normalized things for business leaders,” notes Ulrichsen.

That rapprochement accelerated under Donald Trump, whose administration maintained unusually close ties with the Saudi leadership and encouraged deeper economic cooperation. Bin Salman’s fullest return to America’s good graces was sealed Nov. 18 when he was welcomed back to the White House for the first time since Khashoggi’s murder. In the U.S.- and Israel-led war on Iran, the Kingdom is a prime ally, not least because the attacks are targeting the Saudis’ main adversary in the region.



Mohammed bin Salman listened to President Trump's speech at the U.S.-Saudi Investment Forum in Washington in November. With his support, the Saudis have poured billions of dollars into an array of Hollywood projects. BRENDAN SMIALOWSKI/AFP/GETTY IMAGES

For Hollywood, with domestic financing tight, the Saudis' ability to write giant checks appears to override any moral objections to working with a government accused of silencing dissent and widespread human-rights abuses.

"Saudi can make multibillion-dollar commitments that you just can't get in the United States," observes Andrew Leber, a Tulane professor specializing in the U.S.-Saudi relationship.

That financial pull is already visible across the entertainment industry. In September, Kevin Hart, Bill Burr, Dave Chappelle and Pete Davidson were among the headliners of the inaugural Riyadh Comedy Festival, performing for packed crowds as Saudi Arabia continued its push to position itself as a regional cultural hub. The Soundstorm music festival outside Riyadh in December featured headline performances by Cardi B, Post Malone and Pitbull. The Red Sea Film Festival in Jeddah, also in December, attracted the likes of Sean Baker, Ana de Armas and Dakota Johnson.



Dave Chappelle experienced backlash when he performed at the Riyadh Comedy Fest in September.

ROSALIND O'CONNOR/NBC/GETTY IMAGES

Celebrity appearances are only the most visible layer of a much deeper wave of investment. On Sept. 29, a PIF-led consortium that includes Jared Kushner's Affinity Partners and Silver Lake agreed to acquire video game giant Electronic Arts for \$55 billion, one of the largest deals in that industry's history. In October, former Lionsgate executive Erik Feig unveiled a \$1 billion studio partnership with Saudi's PIF that will pair his new indie label, Arena SNK Studios, with Saudi broadcaster MBC Group and Japanese gaming company SNK, itself owned by MBS-controlled Misk Group.

For critics of Saudi influence in Hollywood, the willingness to accept that money reflects the industry's broader moral compromises. "Money is money and power is power," notes Bryan Fogel, the Oscar-winning filmmaker whose 2020 documentary *The Dissident* traced Khashoggi's murder. After major streamers and studios refused to acquire the film — wary, Fogel said at the time, of jeopardizing business ties with the Kingdom — it was ultimately released independently. Yet even as one of the most outspoken critics of Saudi influence in Hollywood, Fogel says he doesn't condemn those who take Saudi cash.

"If you say no to the Saudis and take money from UAE or Qatar, or from Peter Thiel, is that better? I'm not so sure. We don't live in an ideal world. I don't think we will ever see real justice for the murder of Jamal Khashoggi, but there is a lot of positive change coming out of Saudi now. You always have to move forward."



private-equity deals continued quietly, even in the immediate wake of Khashoggi's killing. "Every major A-list player has gone to find funds or work on projects," says one Hollywood executive with deep ties to the region. "Every single top agency is trying to get their clients involved in Saudi."

A cyclist rode past an art installation of MBS, spotlighting the murder of journalist Jamal Khashoggi, near the Hollywood sign in 2021. RINGO CHIU/AP IMAGES

## THE ARAB STREET

Framing Saudi Arabia's Hollywood investments purely as a soft-power campaign to polish the Kingdom's image abroad misses a crucial part of the story. Much of the strategy is aimed not at international audiences but at the Arab street.

When MBS unveiled Vision 2030 in 2016 — his sweeping plan to shift the Saudi economy away from oil and toward technology, tourism and media — the project was as much political as economic.

"He was offering something to his people," says Roll. "Not political freedom, of course, but entertainment."

It appears to have worked. Attend one of the big showcase cultural events in the Kingdom and you'll find packed crowds of young Saudis, proud of how their nation has become a regional cultural magnet.



consoles while friends watch from behind. In a country where traditional nightlife options are limited, gaming, cinema and concerts have become substitutes, social rituals replacing the bar culture of the West.

“It’s really ridiculous to see how much Saudi Arabia has changed over time. This completely closed society now is very open. You can go to the cinema, you can go to coffee shops. There’s street life, there’s art,” says Roll. “As part of a ruling strategy, giving people entertainment opportunities so they don’t ask for political participation makes pretty good sense.”

“It’s bread and circuses,” notes one U.S. expat, a former industry executive now living in Riyadh. “The comedy festival, the concerts, the football — they keep the public distracted.”

Viewed from Riyadh, seeing entertainment as a substitute for political participation, the Warners and EA acquisitions look like more than just soft power plays. Domestic spectacle requires content. And increasingly, Saudi Arabia is trying to own the global franchises that supply it.

More than 60 percent of Saudis are under 35. Many grew up on superheroes and Harry Potter, on FIFA and *Madden* — on the very intellectual property now sitting inside the Paramount-Warner and EA portfolios. Securing access to that IP is partially a financial play and a way to funnel global brands back into the Kingdom as tentpole productions, theme park attractions and prestige shoots to fill Saudi soundstages — new facilities were just set up in Qiddiya City outside Riyadh and in the semi-autonomous region of AlUla — all sold back to the Saudi public as proof that the country has arrived.



The MDLBEAST Soundstorm music festival on the outskirts of Riyadh in December. FAYEZ NURELDINE/AFP/GETTY IMAGES

## THE WASHINGTON PLAY

The investments also carry a harder geopolitical logic: cultivating influence in Washington at a moment when Saudi Arabia can no longer rely on oil alone for leverage.

“The Saudis really invest in persons related to the Trump administration. They are successful in influencing Trump’s policies more than other countries are,” Roll says. He points to the web of business ties linking the Saudi leadership, and the bin Salman family, to figures close to POTUS, particularly Trump’s son-in-law, Kushner.

The bulk of funding for Kushner’s investment firm Affinity Partners comes from the same group of Gulf states backing the Paramount deal, with PIF alone allocating \$2 billion to the group, solely owned by Kushner. Affinity was part of Paramount’s initial bid for Warners, but the company pulled out in December amid increased political scrutiny of the deal. Some observers, however, see signs of Kushner’s influence in the new agreement, in particular the unusual collaboration among the Saudis, Qatar and Abu Dhabi, which traditionally view one another as rivals in the region.

Despite the tentative ceasefire, the Iran war creates a new series of unknowns and could potentially impact current Saudi and Gulf state investments and future commitments. It has caused shipping traffic to slow to a halt through the Strait of Hormuz — the crucial waterway through which a fifth of the world’s oil and gas



Qatar declared force majeure on liquefied natural gas delivery contracts after Iranian strikes on its large Ras Laffan complex. One of Saudi Arabia's largest oil refineries also has been struck.

"It's really too early to say what the impact of the war will be [on Saudi investments]," says Roll. "If a more unstable situation leads to higher oil prices [long-term], that's something the Saudis want, because the price of oil has been far too low for them now. But they still have to get the oil out, and if the war keeps the Strait of Hormuz closed, they will be impacted."

Against that backdrop, the Paramount-Warners transaction looks less like a vanity investment and more like a node in a larger strategy: Anchor American cultural infrastructure with Gulf capital, cultivate proximity to political power brokers, and secure the IP that fuels both domestic spectacle and international clout.

Saudis gathered at a cinema in Riyadh Park mall after its opening in April 2018. FAYEZ NURELDINE/AFP/GETTY IMAGES

## THE REALITY

Yet translating Saudi Arabia's sweeping entertainment ambitions into a functioning production ecosystem has proved far harder than writing nine-figure checks. For all the splashy announcements surrounding Vision 2030, Hollywood's track record working inside the Kingdom remains uneven at best. Since MBS unveiled the plan in



What the moral debate about taking Saudi money often misses are the practical risks that working with Saudi capital can bring, including chronic cost overruns, mismanagement and projects that rarely deliver as envisioned.

*Kandahar*, a Gerard Butler action movie shot in Saudi Arabia, grossed less than \$10 million worldwide (though it hit No. 2 on Netflix U.S. on its streaming debut). *Desert Warrior*, starring Anthony Mackie and directed by Rupert Wyatt, saw its budget balloon from \$70 million to \$150 million amid delays and costly reshoots. The film premiered at the second-tier Zurich Film Festival and was eventually acquired by small indie distributor Vertical Entertainment for the U.S., with a minor release planned this spring.

There is also a “mistaken expectation” from U.S. producers that Saudi funding would mean lots of “stupid money being sent out,” says Ali Jaafar, head of film at Riyadh-based MBC Studios. Instead of signing big blank checks, he says, the Kingdom has been careful to focus on building its local industry “to make sure that the partners were not just simply interested in taking resources, but were also [interested in] knowledge transfer.” Feig’s Arena SNK deal, for example, is structured as a series of tranches, with significant cash up front but the full \$1 billion dependent on the studio hitting certain investment targets.

A three-year, \$350 million deal between Greg Silverman’s Stampede Ventures and regional agency Film AlUla was meant to deliver 10 films. But progress has been slow. In December, Film AlUla said the Stampede deal had been “recalibrated” to focus on initially producing a specific slate of four films. When *THR* visited AlUla’s state-of-the-art studios, located in the middle of a John Ford-esque epic landscape in the country’s northwest, the first Stampede feature, *Chasing Red*, an adaptation of Isabelle Ronin’s YA romance web novel, was shooting.

It’s never been easy to make movies in Saudi Arabia. On paper, the country has a competitive 40 percent uncapped tax rebate, but the rebate process remains complicated and largely untested. Any tax benefits may be wiped out by the extra costs of shooting in the country, which lacks the wide below-the-line talent base, from equipment rental firms to assistant DPs, required to support a healthy production business. Big productions, of the kind that would benefit most from the rebate, have to fly in crew. There’s a reason why *Dune: Part 2* skipped Saudi to shoot in the UAE and Jordan instead.

“Filmmaking is a bottom-line-driven business, and [Saudi Arabia] is still not the cheapest place to shoot,” Jaafar admits. “[But] that’s happening slowly ... you need to



There are also concerns about corruption. *Business Insider* this year cited a 2022 internal audit of MBC Studios that allegedly found massive overspending and conflicts of interest. (Jaafar said he was unaware of any such audit.) The company has also seen churn in its C-suite: Longtime CEO Peter Smith resigned in 2023, succeeded by former Amazon and AMC exec Christina Wayne, who stepped down soon after MBC Group's \$222 million IPO and was replaced by production director Samar Akrouk.

The pattern repeated across the Kingdom's splashiest entertainment projects: fast expansion, followed by retrenchment and turnover. Saudi's other big entertainment bet, Neom Media, the entertainment arm of Saudi's \$500 billion, massively hyped megacity project, was hit by scandal in September with allegations of racism, misogyny and inappropriate workplace behavior by its top execs, including CEO Wayne Borg, who was replaced by Michael Lynch.

Saudi Arabia's push to become an entertainment hub competes with flashier national goals — Expo 2030, the 2034 World Cup and a raft of infrastructure projects that dwarf billion-dollar studio deals. Even within the entertainment space, film and TV production are second-tier to gaming, where megadeals often escape the political scrutiny that accompanies media deals.

"The EA acquisition is the second-largest in video game history," notes Joost van Dreunen, a professor of gaming at the NYU Stern School of Business. "EA has a player network of 500 million people globally. But it's not like the audience for EA games are lying awake at night thinking about human rights conditions in Saudi Arabia or boycotting EA games because of their new owners."

Despite Hollywood's soft-power fascination, Saudi spending — from Paramount-Warner to EA to Riyadh Comedy Festival headliners — isn't just, or even mainly, about Western approval. It's about proximity to Trump and influence in Washington and about keeping a young, restless population engaged at home. The prime audience isn't in Los Angeles or London, it's in the White House and among those late night crowds at the Riyadh multiplex.

Behind the sovereign wealth funds, the merger financing and the billion-dollar gaming acquisitions, the strategy ultimately runs through a single set of priorities — those of the Crown Prince himself.

"MBS is a massive fanboy — anime, comic books, video games," says one producer. "His dream is to watch something Saudi and be proud. But he's running a country. When he focuses on entertainment, things move. When he doesn't, they stall."



*This story appeared in the April 8 issue of The Hollywood Reporter magazine. [Click here to subscribe.](#)*

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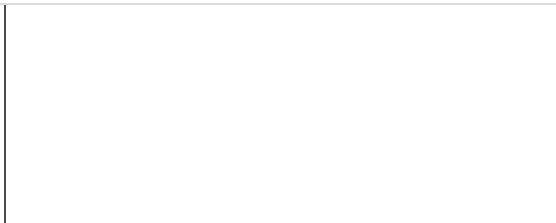
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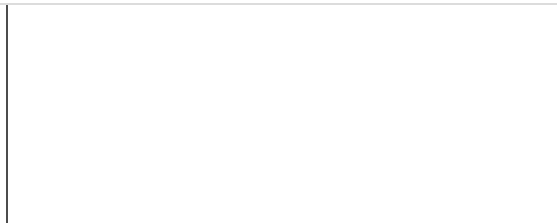
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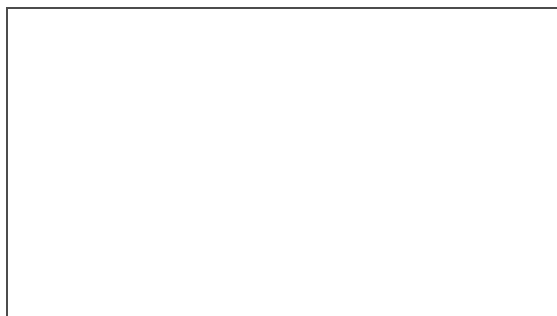
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