

Video games in Catalonia

July 2019



Sector Snapshot

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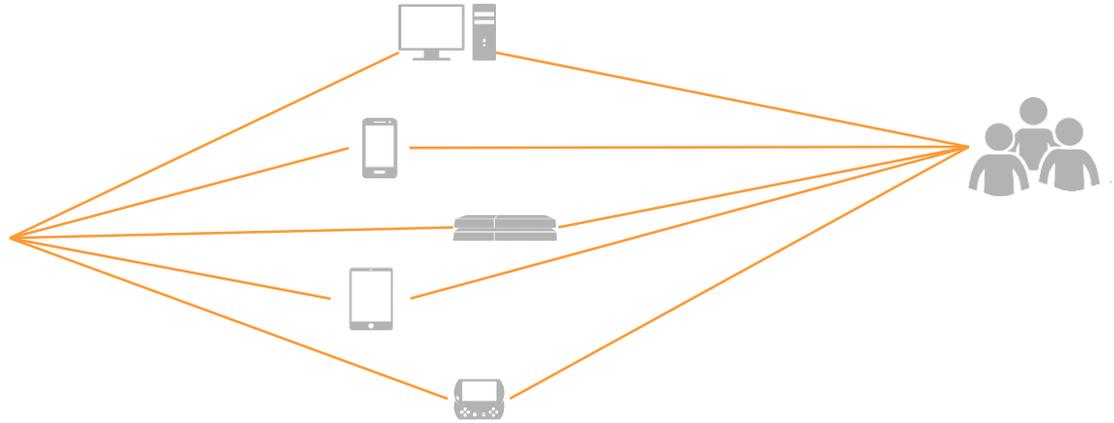
Trends in the video game industry

1. The video game industry



Video game industry definition

A **video game** is any application created for the **main purpose of entertainment**. It's based primarily on the interaction of one or more players, executed in a digital environment and **using an electronic device**.



Video game production process

PRE-PRODUCTION



- Art: story, sound and graphics
- Mechanical function
- Initial programming

PRODUCTION



- Code programming
- Team: programmers, designers, musicians, initial tests

POSTPRODUCTION



- Error detection and first evaluation:
 - Alpha test: important error detection
 - Beta test: evaluation prior to selling

The global video game industry

WORLD

2018

- Video game market in the world is expected to reach **\$137.9 bn** of revenue in 2018.
- Geographically this revenue is divided mainly between **Asia-Pacific (52%)**, **North America (23%)** and **Europe (14.5%)**.
- Growth in the coming years will cement **Asia-Pacific** as **the largest region by game revenues**. The **fastest-growing market** in the coming three years will be **India**.
- The video game industry revenues are concentrated in three areas: **mobile phone + tablet (41+10%)**, **TV/console (25%)** & **PC (24%)**.
- The video game industry **will continue growing** with a CAGR of **10%** from 2017 to 2021, **mainly driven by the smartphone games**.

WESTERN EUROPE

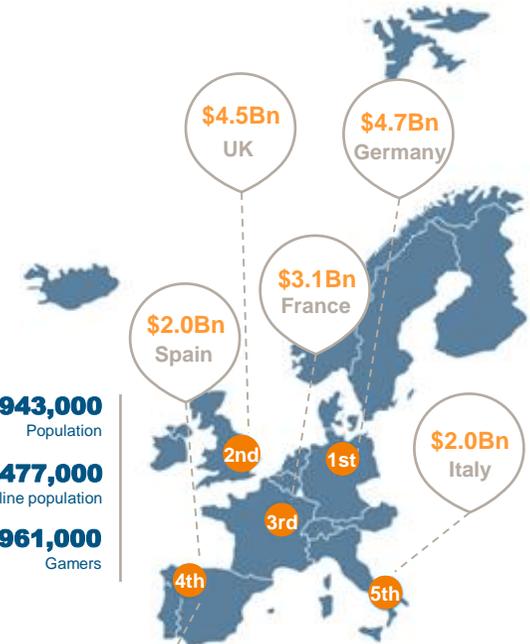
2018

- € **20 bn.**
2018 W-EU revenues
- ↑ **+5.6%**
2017-2018 YoY growth
- 🌐 **14.5%** share of 2018 global revenues.

408,943,000
Population

357,477,000
Online population

206,961,000
Gamers



Spain is the 9th country in world in terms of turnover

Source: Global Games Market Report, Newzoo, 2018

2. The video game industry in Catalonia



The Catalan video game industry: key data



- 140 games companies. (2018)
- 7.6% increase respect 2017.
- 30.8% of total video games companies in Spain.



- Turnover of € 364 M (2017).
- 15% increase respect 2016.
- Catalonia is the engine of the Spanish video game ecosystem, accounting for the 52% of its turnover.



- 2,982 employees (2017).
- 22% increase respect 2016.
- 47% of the Spanish employment in this industry.



- The Catalan parliament has approved a political resolution to support and **act in favor of foreign investment and job creation in the video game industry in Catalonia.**
- The Catalan Administration offers **support and grants to video game** companies, since it is considered **key for economic growth**, within the framework of the Research and Innovation Strategy of Catalan Government (RIS3CAT).

Catalan video game industry competitiveness

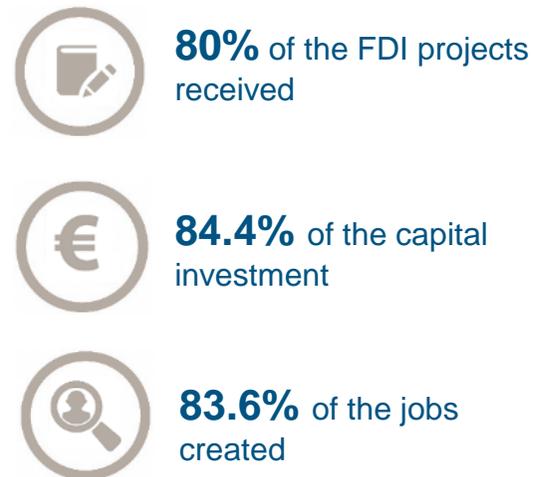
Attractive for foreign investors

From 2014 to 2018...

THE CATALAN VIDEO GAME INDUSTRY REGISTERED...



CATALONIA HAS CONCENTRATED...



...within the video game sector in Spain.

CATALONIA HAS ALSO BEEN...



...within the video game sector in Europe.

Source: EIC (ACCIÓ) based on fDi Markets.

Catalan video game industry competitiveness

Innovative and entrepreneurial

Catalonia is at the forefront of innovation...



Leading scientific facilities for the video game industry

BSC-CNS (Barcelona Supercomputing Center – Centro Nacional de Supercomputación) is at the service of the industry that requires **High Performance Computing resources**.

Eurecat is the **main technological centre of Catalonia** supplying industrial and business sectors with **advanced technology and knowledge** in response to the **innovation needs**.

LEITAT is a **technology center devoted to work alongside businesses** and other organizations to bring about economic, social and sustainable **development** through its **R&D projects, innovative technological processes** and **creativity**.

Barcelona

1st city in Europe in terms of **innovation**.

(iCapital prize 2014).

1st hub in Southern Europe in terms of **startups**.

(Start-Up Genome, 2017)

4th city in the world in terms of **creativity**, only behind London, New York and Berlin.

(Barcelona Centre de Disseny, 2016)

Source: INE.

Catalonia, the best place for the video game industry



POOL OF LOCAL AND INTERNATIONAL TALENT ATTRACTION

Catalonia is a **pool of local and international talent attraction** for the video game subsector. Catalonia has a wide offer of specialized video game training programs and a high standard of living and quality of life, being considered one of the most attractive cities in the world. In addition, labor costs are the most competitive for the video game industry.



CREATIVITY & ENTREPRENEURSHIP

Barcelona stands out for its **creativity & entrepreneurship**, being considered the 4th most creative city in the world, and the Europe's most innovative. Barcelona is also Europe's 5th Start-up city, concentrating more than 1,300 startups in Catalonia.



DYNAMIC AND INNOVATIVE ECOSYSTEM

There is a **significant video game ecosystem in Barcelona & Catalonia**, being the most important video game hub in Spain, and one of the biggest in Europe, growing at a double-digit pace last years.



TOP R&D HUB

Catalonia is a **top R&D hub** having leading scientific facilities, a strong digital business cluster in Barcelona and being the 1st region of Western Continental Europe to attract foreign investment in R&D



STRATEGIC LOCATION AND ACCESS TO MARKETS

Having a **strategic location and access to markets**, Barcelona is the only city in Southern Europe that concentrates in 5 linear km, one of the largest ports in the Mediterranean, a high-speed train station, an awarded international airport and highways connected to the European network.



INTERNATIONAL CONFERENCES & TRADE FAIRS

Barcelona hosts **International trade fairs & events such** as the Mobile World Congress, which receives more than 100,000 visitors, the Barcelona Games World, ESL Competitions and market accelerators as the BCN Gamelab.



BUSINESS MINDSET

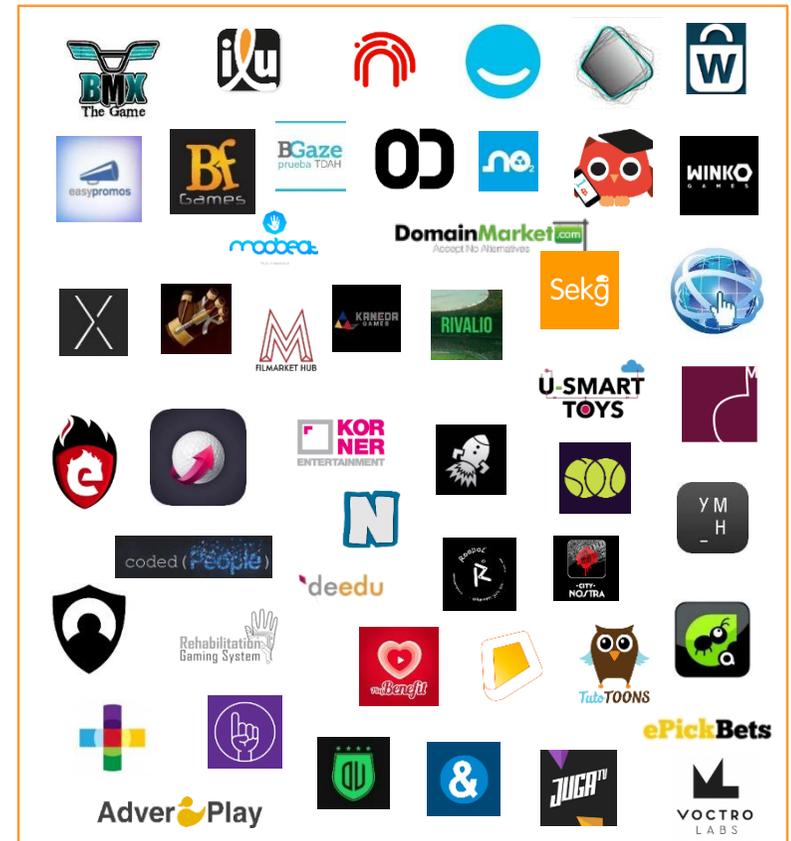
Catalonia has a strong **business mindset**, attracting, incentivating and supporting business opportunities.

The video game ecosystem in Catalonia (I)

Videogame companies in Catalonia



Videogame startups in Catalonia



Source: EIC (ACCIÓ). Barcelona & Catalonia Startup Hub. *Empreses de videojocs a Catalunya 2019* (ICEC)

The video game ecosystem in Catalonia (II)

Technological centres related to Videogames



Training institutions related to Videogames



Videogames related clusters / associations / institutions



Videogames related trade fairs and congresses



3. Opportunities in the video game industry



Trends in the video games industry



Virtual reality is a technology based on the creation of an immersive environment using powerful hardware and software, which produce interactive images and sound. Spain has the **highest percentage of consumers with purchase intention** and Barcelona has the strongest video game ecosystem, technological centers and important international conferences.



eSports is a group of electronic sports organized as a competition in which professionals compete against each other. Turnover has grown 67% over the previous year, and is **expected to grow at least 40% annually until 2019**. Barcelona has already **hosted international eSports competitions**, having dedicated TV channels as well as professional eSports clubs.



Gamification is the application of game-design elements and game principles in non-game contexts, implementing the latest methodologies and tools for the business world. The **pharma or medical industry**, with a significant presence in Catalonia, could adopt these innovations for training and practice purposes.



Cloud gaming is a new way to organize how video games are executed, played and distributed; using a central server for the game processing and streaming the image to a wide assortment of hardware, which only needs internet connection. **It's expected to grow a 29% CAGR until 2020**. Barcelona has one of the fastest internet connections, important technological centers and competitive operation costs.



Game porting is the term used when a video game designed to run on one platform is converted to run on a different platform. Barcelona has a **high availability of talented software developers** at a competitive cost, a strong video game ecosystem, related technological centers devoted to the video game industry and top-level international trade fairs.

Source: EIC (ACCIÓ). PwC Entertainment and Media Outlook 2016-2020 & DEV, White paper on video game development in Spain, 2017. Technavio, 2016, Global Cloud Gaming Market 2016-2020.

ACCIÓ

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Take a look at the full report:

<http://catalonia.com/.content/documents/videogames-in-catalonia.pdf>

More information about the sector and related news:

<http://catalonia.com/trade-with-catalonia/video-games.jsp>

