Video games in Catalonia
July 2019
Sector Snapshot
Index

1. The video game industry
   Video game industry definition
   The global video game industry

2. The video game industry in Catalonia
   The Catalan video game industry: key data
   Catalan video game industry competitiveness
   Catalonia, the best place for the video game industry
   The video game ecosystem in Catalonia

3. Opportunities in the video game industry
   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**

- 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**

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

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).

Source: EIC (ACCIÓ) based on DEV, White paper on video game development in Spain, 2017. 2018 White paper on the Catalan video game industry-DEV.
Catalan video game industry competitiveness

Attractive for foreign investors

From 2014 to 2018...

THE CATALAN VIDEO GAME INDUSTRY REGISTERED...

- 8 FDI projects
- €36.31 M of capital investment
- 516 jobs created

CATALONIA HAS CONCENTRATED...

- 80% of the FDI projects received
- 84.4% of the capital investment
- 83.6% of the jobs created

...within the video game sector in Spain.

CATALONIA HAS ALSO BEEN...

- 3rd region in FDI projects received
- 6th region in capital investment
- 2nd region in jobs created

...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...

- **Total R&D expenditure of €3,103.4M**
- **1.46%** of its GDP dedicated to R&D.
- **23.4%** of Spain’s total.
- **9,282** innovative companies, representing **22.2%** of the Spanish total.

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.

**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.

**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.

**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

Source: EIC (ACCIÓ). Barcelona & Catalonia Startup Hub. Empreses de videogjocs 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

Source: EIC (ACCIÓ), Barcelona & Catalonia Startup Hub. 2018 White paper on the Catalan video game industry-DEV.
3. Opportunities in the video game industry
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**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.

Take a look at the full report:

More information about the sector and related news: