

# Video games in Catalonia

May 2018



**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

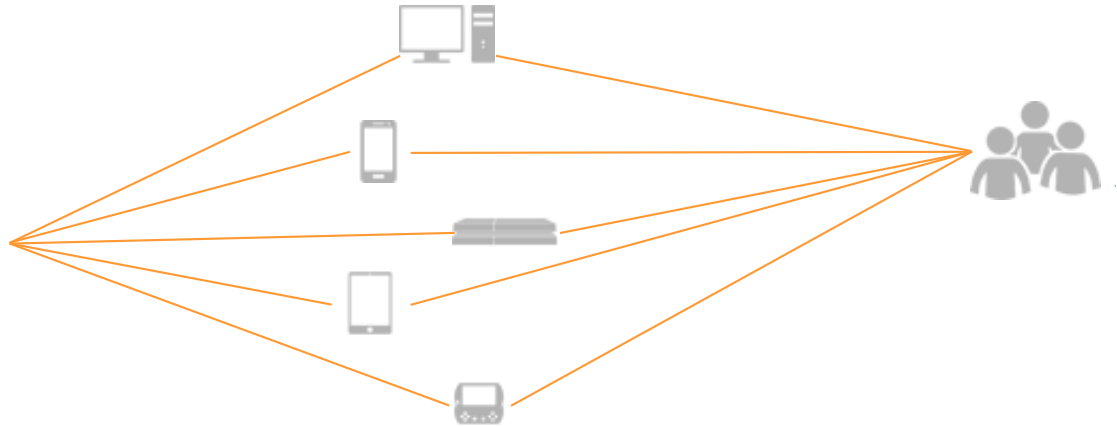
Trends in the video game industry

# 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

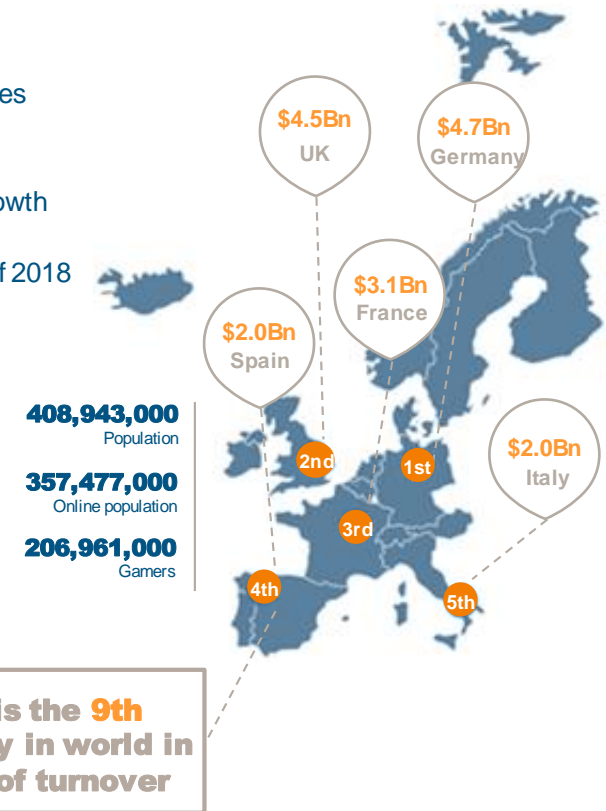
2018

- 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.



Source: Global GamesMarket Report, Newzoo, 2018

## 2. The video game industry in Catalonia



# The Catalan video game industry: key data



- 130 games companies. (2016)
- 8.33% increase respect 2015.
- 27% of total video games companies in Spain.



- Turnover of 319 M€ (2016).
- 47% increase respect 2015.
- **Catalonia** is the engine of the Spanish **video game ecosystem**, accounting for the **51.7%** of its turnover.



- 2,441 employees (2016).
- 44.7% increase respect 2015.
- 44.9% 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.

# Catalan video game industry competitiveness

## Attractive for foreign investors

From 2013 to March 2018...

### THE CATALAN VIDEO GAME INDUSTRY REGISTERED...



**7** FDI projects



**€30.8 M** of capital investment



**479** jobs created

### CATALONIA HAS CONCENTRATED...



**87.5%** of the FDI projects received



**97.5%** of the capital investment



**95.2%** of the jobs created

...within the video game sector in Spain.

### CATALONIA HAS ALSO BEEN...



**1st** region in jobs created



**1st** region in capital investment



**1st** region in FDI projects received

...within the video game sector in Southern 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).*

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

*(Barcelona Centre de Disseny, 2016)*

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

*(Start-Up Genome, 2017)*

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 1,200 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



## 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.



## BUSINESS MINDSET

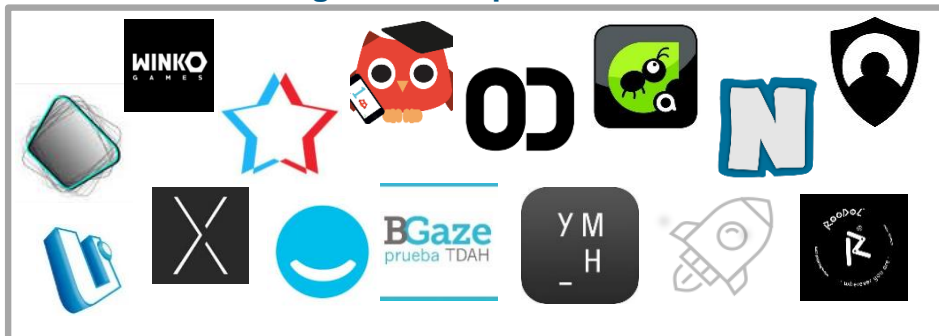
Catalonia has a strong **business mindset**, attracting, incentivating and supporting business opportunities.

# The video game ecosystem in Catalonia

## Videogame companies in Catalonia



## Videogame startups in Catalonia



## Technological centres related to Videogames



## Videogames related clusters / associations / institutions



## Videogames related trade fairs and congresses



**Note:** The use of these trademarks is for informative purposes only. Trademarks mentioned in this document are the registered trademarks of the companies to which they belong and are not owned by ACCIÓ. This is a partial and illustrative representation of companies that form part of the videogames ecosystem in Catalonia; however, there may exist other companies that have not been included in this study.

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

# 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.

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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>

