

The UK Video games and Interactive Entertainment Industry



THE ASSOCIATION FOR UK INTERACTIVE ENTERTAINMENT

The UK's leading creative industry

Strong Consumer Market

1 in 3 people
are gamers

Strong Consumer Market

£2.875 billion
UK retail sales
in 2010



Strong Consumer Market

**63 million console
& pc games sold in
UK in 2010**

Strong Consumer Market

- **UK's best selling game ever**
- **£82m in the UK over the first 5 days**





Over 7 million sales

The Facebook logo, consisting of the word "facebook" in white lowercase letters on a blue rectangular background.

facebook®

- **Social Network Gaming in 2010 was close to \$60m**
- **50% of facebook visits are to play games**



LEGO Harry Potter: Years 1–4

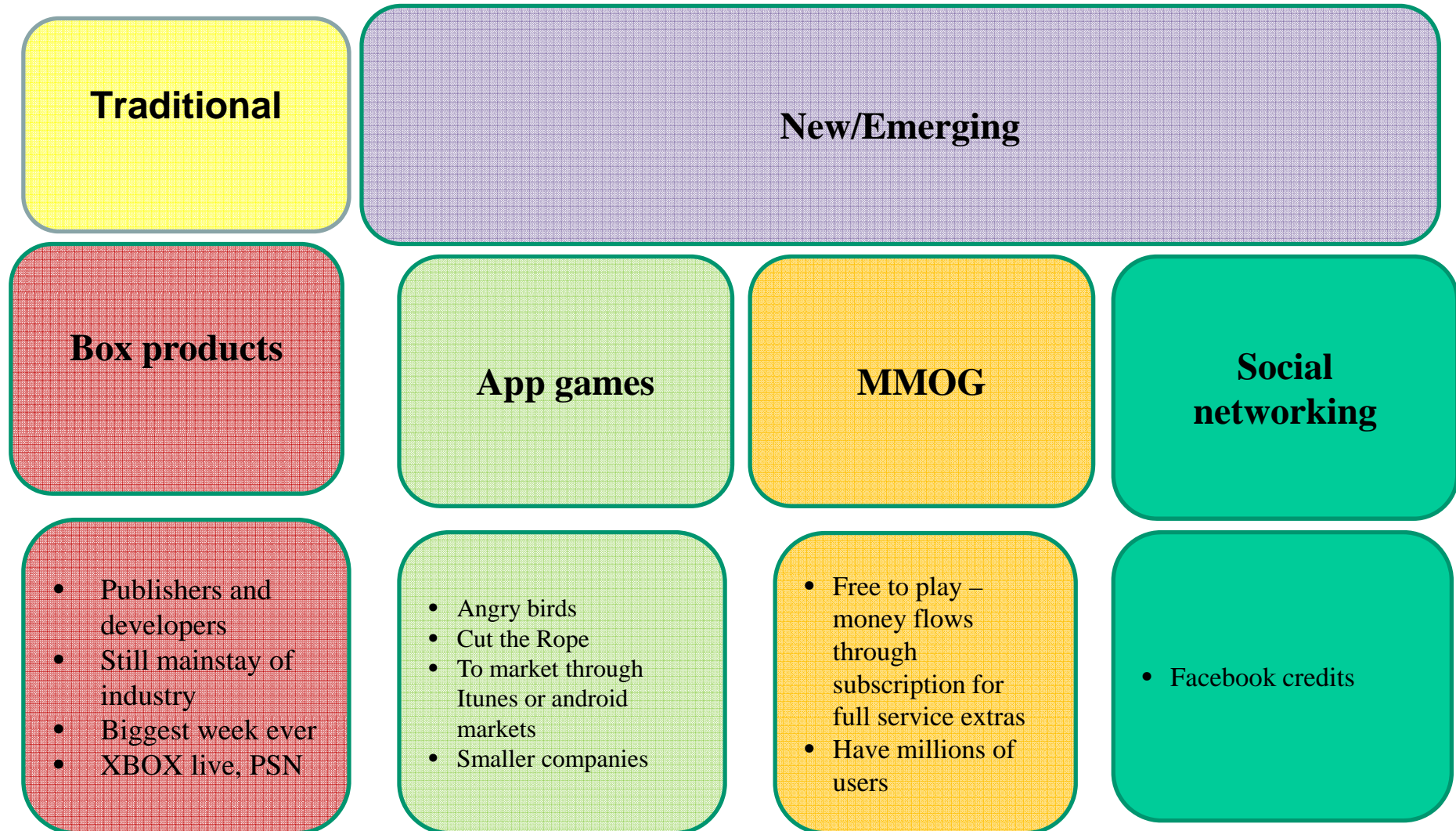
Developed by Traveller's Tales

Published by Warner Bros. Interactive Entertainment

What does the industry look like?

- Developers
- Publishers
- Universities
- Retail – specialist and supermarkets
- Distributors
- Creative clusters

Diverse range of business models



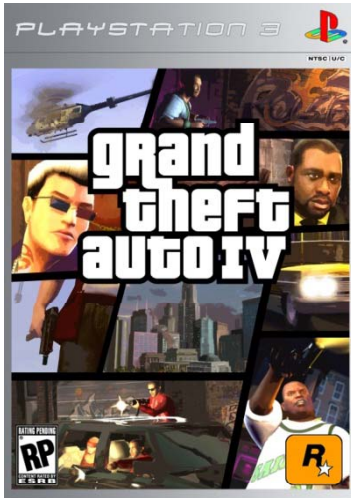
Massive Growth Potential

- The global video games market is expected to grow 10.6% through 2014, increasing worldwide videogame revenue to \$86.8billion (PWC)
- The UK Games sector is projected to grow 7.5% between 2009 and 2012 (TSB)

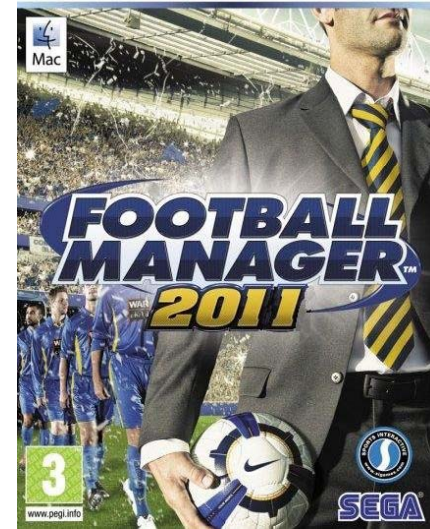
Home-grown Talent

- 48 of the world's top 100 development studios are based in the UK.
- 7050 people work in the computer games industry – development, publishing and development support. A further 6,900 work in VFX, 27,550 on online content and 800 in mobile content. (Skillset)
- The Computer Games workforce is highly qualified and 80% has a degree (Skillset)

Successful British games



Games for Windows PC DVD



Market is changing – Not just video games...

- It's all about interactive entertainment
- Nearly everything had an online element
- The rise of casual games
- Cloud gaming
- Games Based Learning

Where does UKIE fit in?

- ELSPA became UKIE last year to promote the interactive entertainment sector as the UK's leading creative industry
- Recognition that the industry is no longer developers vs. publishers
- Broad policy agenda and important PR role

Key issues facing the industry

Commercial

- Access to finance
- Production Tax breaks –
Creative a competitive level
playing field

Intellectual property

- Enforcement and protection
- IP Crime Unit and support of the Digital Economy Act

Skills and education

- Games based learning
- Livingstone-Hope Skills review — being published 1/2/11

Reputation and social responsibility

- Age ratings – PEGI
- Negative stories – Panorama – talking about addiction

The future

- Cloud gaming?
- Further blurring of traditional business models
- Less focus on triple A
- Growing casual market



Kinect Sports

Developed by Rare

Published by Microsoft

Kinectimals

Developed by Frontier
Developments

Published by Microsoft

