



Game capitals in Europe

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Business Finland Munich

Introduction

The game industry is growing globally and gets especially more recognition and reputation.

“It’s been a long journey for the industry, from nerd obsession to mainstream entertainment.

For a long time, the video gaming industry coalesced around three major hubs — North America, Western Europe, and Japan. Publishers from the United States, the UK, France, and Japan were the largest and most powerful, taking what appeared to be an unassailable lead in this emerging, booming industry.

In recent years, however, this has changed. Developers from emerging Europe have stormed the market, creating some of the world’s most innovative and best-selling games, creating a phenomenon that brings in not just export revenue, but boosts the cultural recognition of an entire region, branding it as the home of cutting-edge gaming.”, reports Emerging Europe.

According to an industry report by European Game Developers Federation, France continues to be the leader in game development within the European Union. Germany and Sweden are close behind in terms of the number of game developer studios, Poland and Spain in terms of publishers, Germany and Poland in terms of employees, and Germany and Sweden in terms of total industry turnover. The rise of the Swedish and Polish games industries was particularly noteworthy, demonstrating how the games sector is becoming an important engine of digital growth in both small EU and Central-Eastern European member states

In this document, we look at different game hubs across Europe and analyze what happens in the gaming industry: Where are the most successful games made, which city has the most game studios, which the largest, which is growing the fastest. The study lists examples and does not claim to be complete.

Some facts in the beginning

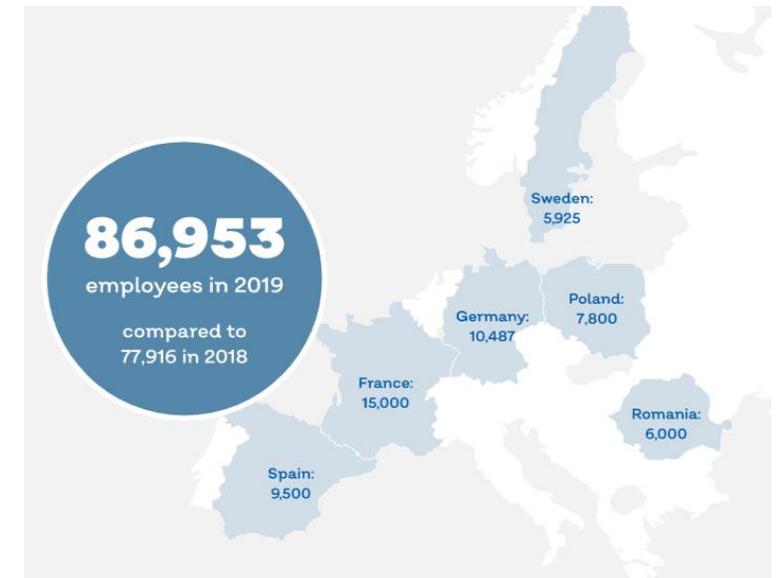
- **Number of game development studios:** During the pandemic, the increase in the number of studios slowed in most countries, but persisted in Sweden and Spain
- **Number of game publishers:** Poland is catching up with France and the U.K. as an important location for publishers
- **Total turnover earned by local game development studios:** Despite the pandemic, the industry continued to grow. Sweden and Finland are catching up with traditional game development powerhouses such as France and Germany in terms of turnover. €16.6bn in the EU.
- **Number of companies that published new titles:** 2020: France:400, Spain 132, Belarus:82, Finland: 60, Serbia:41



Quelle: EGDF: 2020 European Video Games Industry Insights Report, p. 13

Some facts in the beginning

- **Game Education Institutions:** France (130), Germany (117) and U.K. (135) have the most games education institutions. Finland (34)
- **Investment:** According to FT's start-up magazine Sifted, the UK attracted more than double the number of rounds than the next most active country, Germany (2022). The Nordics as a whole saw 12 investments between them, while seven deals happened in Iberia. France, one of the continent's big hitters in the gaming industry as the home of publishing giant Ubisoft, has seen just one gaming investment in 2022. Another rising star is Turkey, which is fast becoming a creative hotbed for casual mobile games.
- **Number of people working in the video games industry:** 2020: The video games sector employed 74,000 people in the EU and 98,000 in Europe. France and Germany are the countries with the biggest number of employees. – However, Poland is about to join the ranks of major employment hubs in the EU.
- According to numbers of 2019, Sweden has the highest and the Germany the lowest **ratio of gaming employees per capita.**



Source: ISFE: 2021 Key Facts about the European video games sector

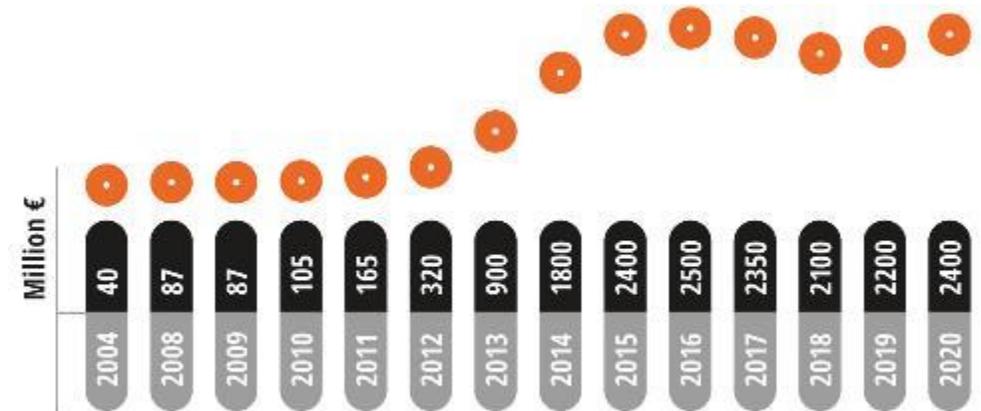
Helsinki

- According to a report from 2020, the Finnish gaming market is worth an estimated €2.4bn per annum. This figure includes both mobile and traditional console games.
- My Helsinki states that “Finland is a superpower of **mobile games**, but the country also boasts successes in console and PC games”.
- “The mobile gaming market is **growing** rapidly, with an estimated value of €1.05bn in 2021”, according to esports Insider.
- Approximately **100 new game titles** are being published by the Finnish games industry **each year**, with the main gaming platforms being PC and mobile.
- **Over 3.600 people** in all **Finland**: 22% women, 28% non-Finnish residents.

From 2010 to 2022, the Finnish market's CAGR was 37%

In 2021, net sales volume exceeded 3 billion euros

2020 brought more than €500mn in profit for the market



Turnover of the Finnish Game Industry 2004–2020

Helsinki

- “Helsinki has emerged as the **European capital** of games over the past ten years.
- The biggest investments in the digital creative industries go to game studios.
- Games became a more serious business in Finland at the turn of the millenium, when pioneering mobile game studios produced content for the Finnish mobile handset giant Nokia.
- But the real growth of the Finnish game industry started with **Angry Birds**. The release of this video game gloriously coincided with the release of the first iPad.
- At the time when everyone was slinging angry birds on their mobile devices, another Finnish game industry giant was born: **Supercell**, reached a milestone in 2011, when the studio abandoned Facebook as their platform and focused on games for iPad.
- Helsinki is home to **over 50 gaming companies**. Some of the best and most famous Finnish games were developed in Helsinki by international brands such as Alan Wake, Bugbear, and Max Payne.” according to the City of Helsinki.

Poland

- “The CEE region has been able to capitalise on its strong mathematics and engineering education and expertise to **offer highly skilled workers** for the games industry,” says Dr Jennifer Johns, a lecturer at the University of Bristol, and an expert in economic geography.
- Further: “Poland in particular has developed into a significant **cluster**, using initial links to overseas developers to significantly develop indigenous capacity.”
- Poland has in particular made a name for itself as a source of some of the world’s most **inventive, cutting edge, and best-selling games**. Indeed, gaming is now an integral part of its national brand.
- With over **470 active game development studios** (August 2021) and nearly 50% of the population in the country identifying as gamers, experts believe that the industry still has a long way to grow.
- “Developing **games for PC** still remains the basic and primary area for Polish gamedev. Of course, PC premieres can be easily followed by Xbox and PlayStation editions, sometimes even on day one, but the smaller the studio is the more likely it is to develop a game for PCs first, and port it to consoles later”, states the Polish Agency for Enterprise Development in their report.



12110

people working in
the game production sector



25%

are female



over **24%** growth YOY

over **1000** foreigners

(more than 8% of total employment)

Sources: Game Industry Conference.

Poland

Polish Game Industry

Game Development Studios

UNICORN							
WOLF							
RISING STAR							
RISING STAR							
RISING STAR							
RISING STAR							

Startup & Tech Companies

STARTUP								
STARTUP								

Venture Capital & Accelerators

Legenda

Publishers

Business Angels

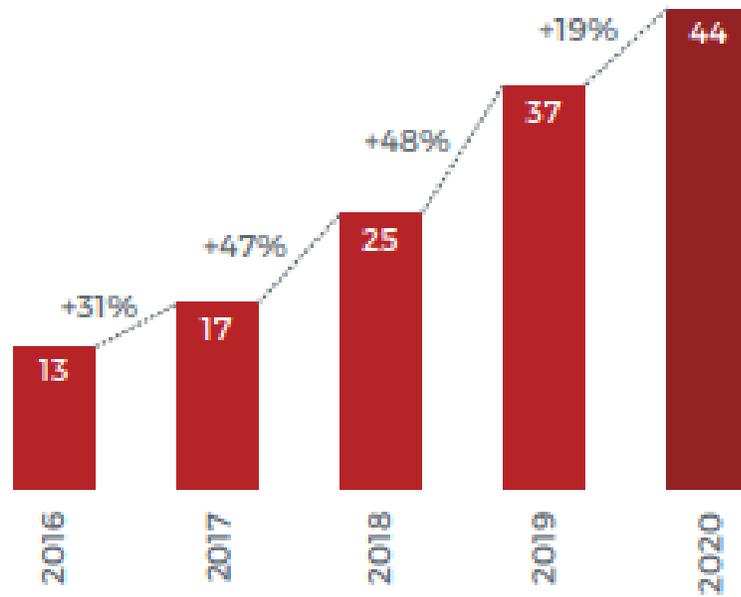
Institutions

Esports

Source: Borys Musielak: „Mapping the Polish Game Industry” (2020)

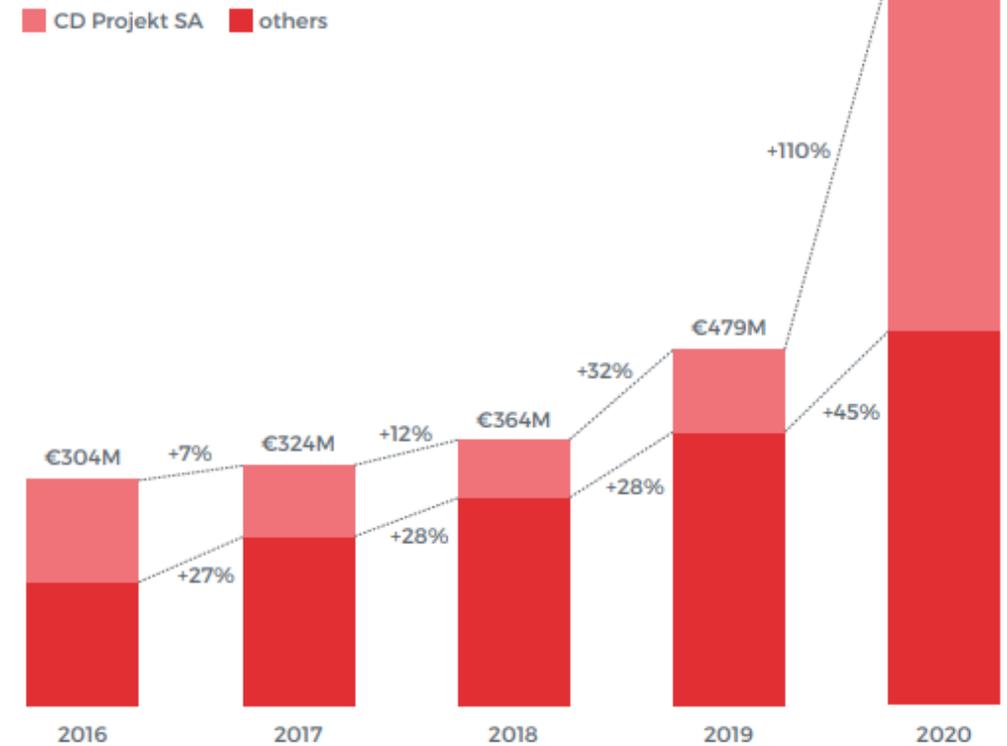
Poland

Chart 3. Global game publishers originating from Poland



Sources: Game Industry Conference, GamingAnalytics.info

Chart 1. Revenues of game developers in Poland

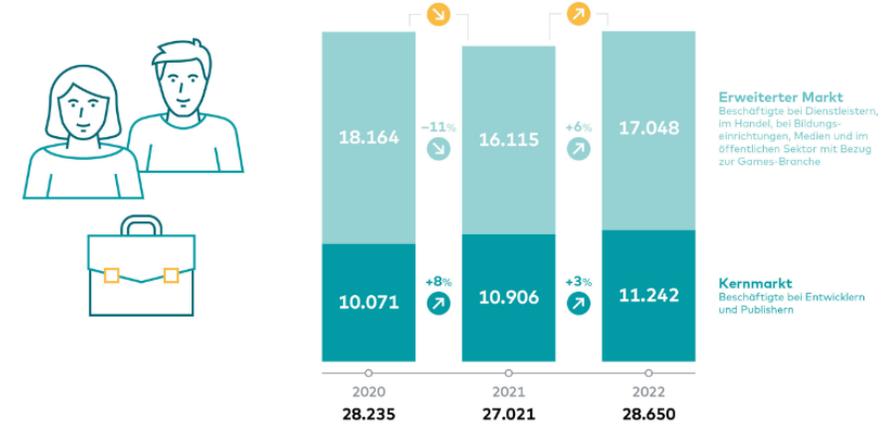


Source: Game Industry Conference

Germany

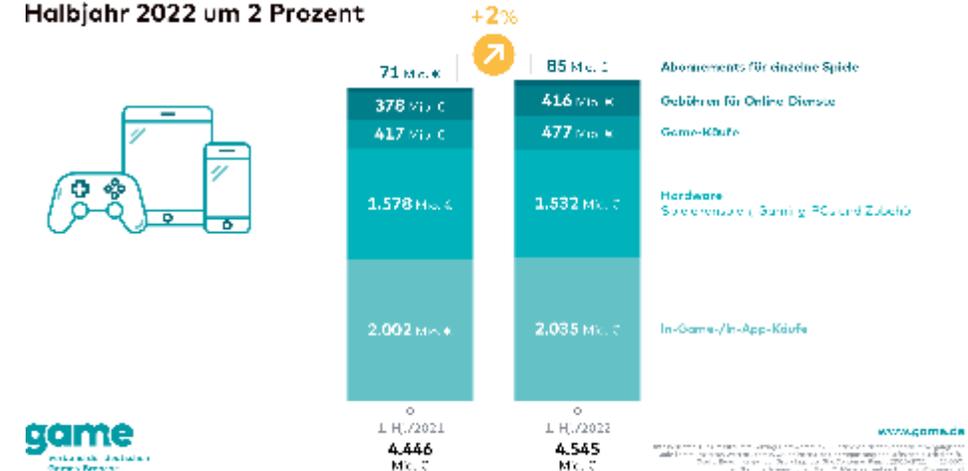
- The **turnover** of games and corresponding hardware rose by 17% to 9,8 bn. EUR in 2022. The year before, the industry grew by 32%. Main reason is the constantly increasing number of gamers.
- In 2022, there were **786 gaming-related companies** in Germany (Publisher, Developer or a combination).
- The number of employees rises: After an increase of 8% in 2021, the number of employees rose again by 3%. This leads to 11.242 employees in the sector.
- The number of companies increased by 5%. Nevertheless, the game companies consider **Germany's competitiveness** in an international comparison low and demand more strategic strength.
- In 2020, more than one half of the 20 largest game developer were **part of an international mother company**.
- Only 3 of the largest 10 employers are 100% German-owned and located (Gameforge, Crytek, Travian Games)

Increasing number of employees in the German games industry



The German games market grows in the first half of 2022 by 2%

Deutscher Gamesmarkt wächst im ersten Halbjahr 2022 um 2 Prozent



Germany

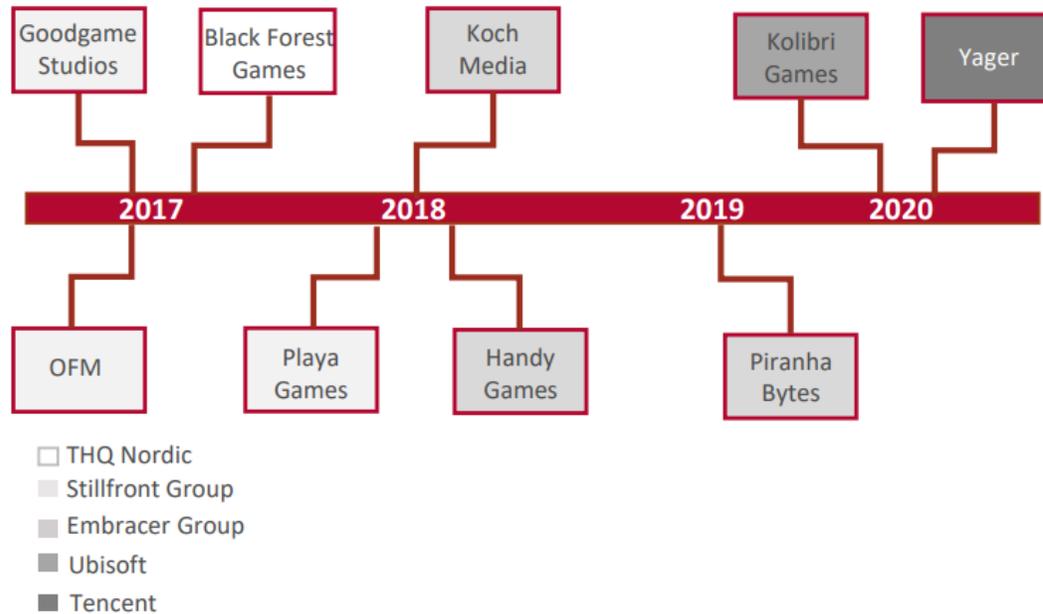
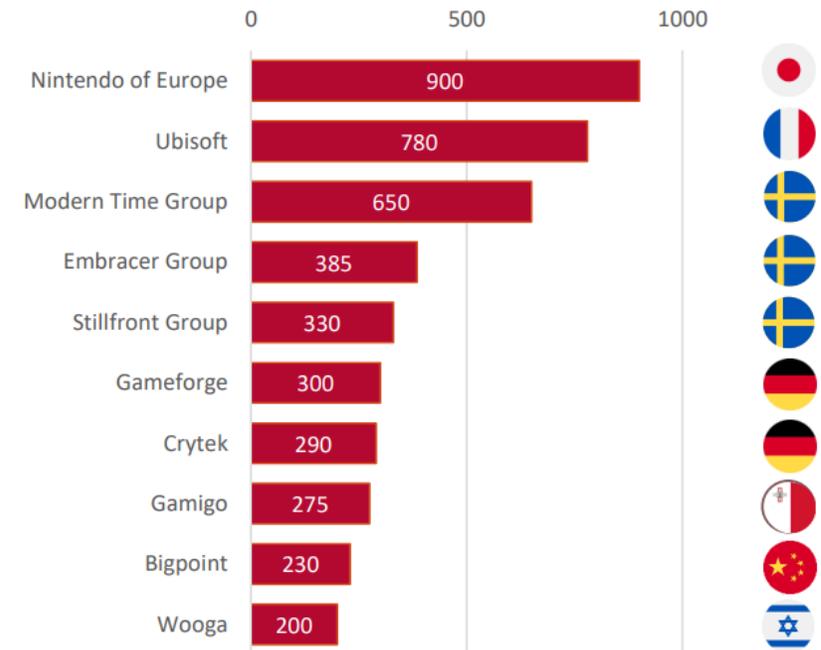
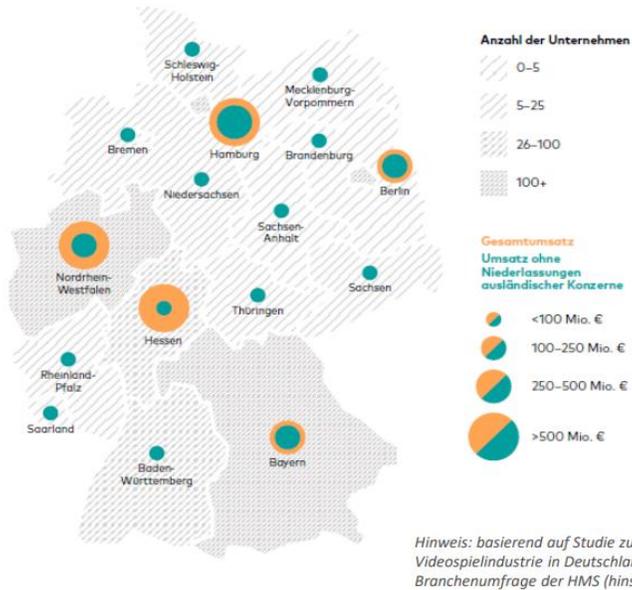


Abb. 2.1.2.3: Größte Games-Unternehmen in Deutschland (inkl. Marketing- und Vertriebsniederlassung in Deutschland) nach Mitarbeiterzahl (2020)¹



Quellen: ¹GamesWirtschaft (2020a); ²GamesWirtschaft (2020c)

Germany



Source: Games Branche in Deutschland 2018/19/20

Hamburg

Hot spot for Online- and Mobile Games / Free2play

Studios: Bytro Labs, Goodgame Studios, Playa Games, InnoGames, Bigpoint, Gamigo, Tivola, Sviper und Xyrality

PC- and Console devs: DS Fishlabs, Daedalic Entertainment, Rockfish Games

Subsidiaries of international Publisher: Capcom, Square Enix

Strong **Startup** Scene

Berlin

Becoming the gaming capital of Europe, especially in **e-sports**

Base of approx. **18% of all German** game companies

Companies: G2, King, Ubisoft have headquarters there + over 200 gaming-industry businesses

Large **talent pool** to come from (and with demographics that skew young and diverse, Berlin's pool is only growing).

In addition to game developers, there's a ton of **gaming communities**, including dedicated studio space for gaming creators.

Start-up scene: Developers get the chance to work on innovative projects

Cologne

Cologne considers themselves the **heart of esports**

The Cologne **startup ecosystem** has seen significant growth in the last five years, more than doubling since 2016.

A significant chunk of the value comes from **ESL**, the world-renowned esports company founded and still headquartered in the city and continues to host some of its biggest events in their hometown stadium.

Vilnius

- Lithuania has emerged as a central **hub** for developers and publishers.
- Lithuania's gaming sector is set for serious **growth** over the next few years, driven by both local and foreign gaming developers.
- The game development industry generated over **200 million euros in revenue** over the past few years, and currently includes around **115 companies** who employs over **2.500 people**, according to data from Invest Lithuania.
- Around **90%** of the companies in Lithuania's gaming industry are **located in Vilnius**, including several giants.
- With just 9% of employees engaged in administrative tasks and the rest **actively participating in game production**, Lithuanian gaming businesses are mostly concentrated on **game creation**.
- **Studios:** Nordcurrent — an international publisher and developer of casual games such as Cooking Fever, Happy Clinic, and Pocket Styler — continues to grow despite an already successful history as Lithuania's biggest game studio. Human: Fall Flat and Cooking Fever , Happy Clinic, and Pocket Styler
- Other **notable companies** include Belka Games — which attracts over 100 million players monthly — and No Brakes Games, which developed the hit game Human: Fall Flat.
- The game development ecosystem **Unity** — currently valued at 5.5 billion euros — chose Vilnius as the first city outside of Denmark to set up operations.



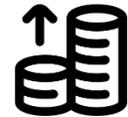
Happy Clinic / Nordcurrent

Catalonia

- Catalonia attracted between 2017 and 2021 **120 million foreign direct investment** in the video games sector within the EU. No other region in the EU topped this number.
- FDI created the second-highest number of jobs in the sector (ahead of Amsterdam, Bordeaux, and Paris): **900 new jobs**.
- The region ranks **1st** in terms of the number of **international studio investment projects** -a total of 20.
- The main investments came from the United States, France, Sweden and South Korea.
- **40%** of the world's video game companies have a presence there.
- Notable **names** include France's Ubisoft, US firm Scopely, South Korea's Smilegate, British company King and Japan's Bandai Namco.
- Many of the video games developed in Catalonia are among those with the **highest budgets** and the highest sales levels in the market.



206 COMPANIES



**552.5 MILLION EUROS IN
TURNOVER**



3,933 EMPLOYEES

Catalonia

The **video game sector** in Catalonia

(2017-2021)

 20

New foreign projects

 120

Investment (M€)

 900

New employees

1st region of the European Union attracting foreign investment



European regions with most projects and investment

- | | |
|---------------|------------------------|
| 1 - Catalonia | 4 - Sweden |
| 2 - Amsterdam | 5 - Nouvelle-Aquitaine |
| 3 - Ireland | 6 - Isle of France |

Catalonia attracts **12.2%** of total **foreign investment** in video games in the **EU**

Major international companies choose Barcelona

Top **countries investing** in Catalonia

- | | |
|--|---|
|  United States |  Sweden |
|  France |  South Korea |



UBISOFT
SMILEGATE
CI GAMES
KING
BANDAI NAMCO
SCOPELY

ACCIO
Catalonia &
Trade & Investment

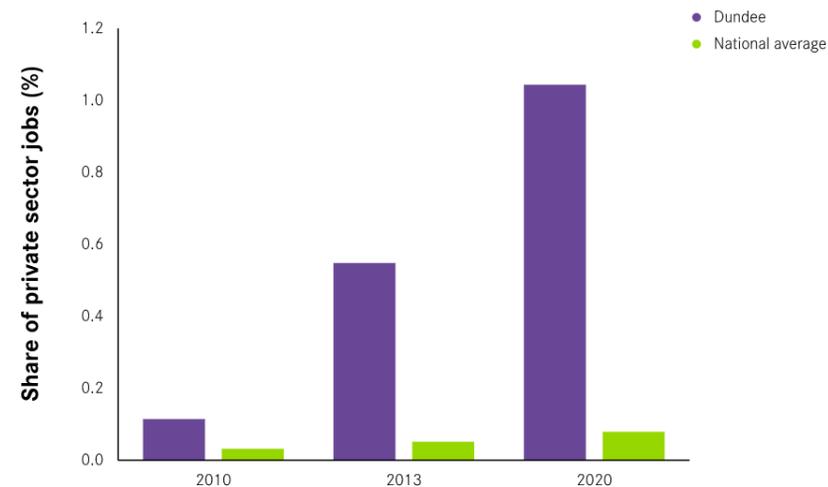
 **Generalitat de Catalunya**
Government of Catalonia

Source: 'The video game sector in Catalonia' report

Dundee

- The **birthplace** of the Scottish gaming industry, with the likes of **Grand Theft Auto** and **Lemmings** being created here.
- Over **40 video game companies** and start-ups: 4J Studios, Outplay Entertainment, Puny Astronaut, Ninja Kiwi Europe, Tag Games and Ruffian Games.
- **Abertay University**: first (and best) place in the world to study game design
- **Growth**: In 2010, the gaming sector accounted for 0.1 % of all private sector jobs in Dundee. It became the city with the largest share by 2013 and by 2020.
- **Knowledge-intensive service jobs** played an increasing role in its economy in the last decade. Of this increase, around a half is explained by the gaming industry.
- **BUT**: In 2020, Dundee accounted only for **2.7% of all British jobs in gaming**. The sector is dominated by **London**: around one-third of gaming firms have their registered address in in the Capital, which accounts for 22.5% of all jobs in the industry. This is followed by Edinburgh, Manchester, and Liverpool.

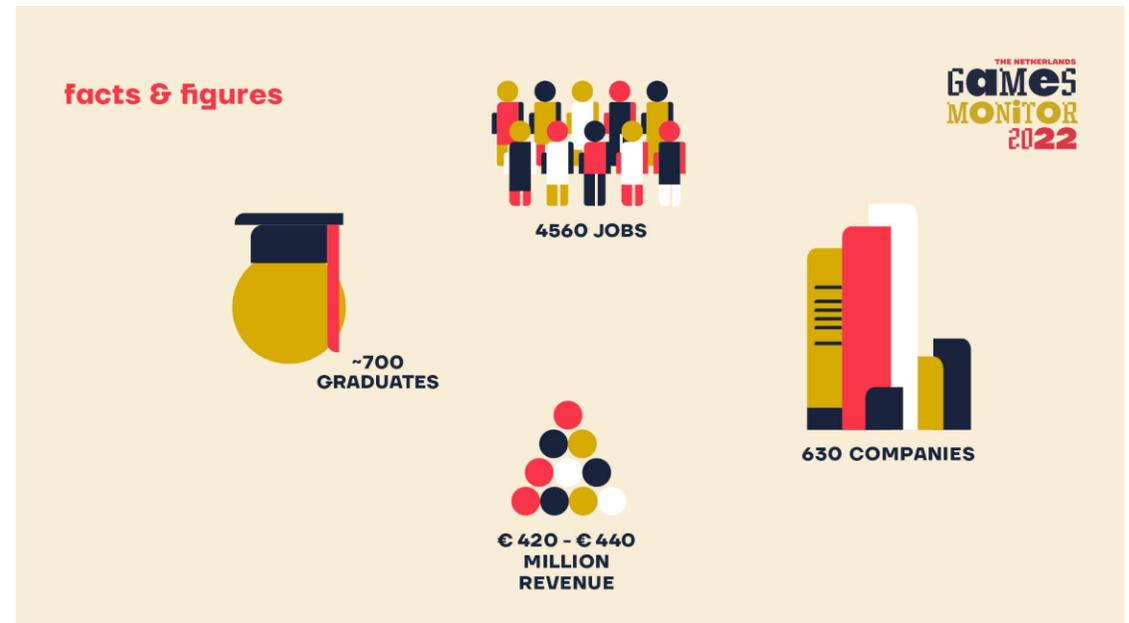
Gaming jobs



Source: NOMIS. Gaming includes the following sectors (2007 Standard Industrial Classification, 5 digit classification): Ready-made interactive leisure and entertainment software development and Publishing of computer games. Private sector jobs excludes 'Publicly-funded services jobs'; further details can be found in [Centre for Cities data tool](#).

Utrecht & Amsterdam

- “The Dutch game industry has **grown** significantly in the last three years and Dutch game companies benefited from the growth of the global games market.
- A growth in **revenue** of almost 18% annually on average for Dutch game companies (to €420-440 million in 2021) surpasses the global average in the industry.
- **Amsterdam and Utrecht** are the two largest game development cities. Growth of the games industry in the Netherlands is concentrated in the cities of Amsterdam, Utrecht and Eindhoven. More than 60% of the **net job growth in 2015-2018** is concentrated in these three cities.
- The number of jobs also increased with more than 5% annually to **4560 jobs**. The growth in the number of jobs is particularly visible in larger companies with over 50 employees.
 - The largest number of jobs in the Dutch game industry can be found in the Greater-Amsterdam region (including Schiphol).
 - As the second largest region in terms of employment, Utrecht has the largest number of jobs in applied or serious game companies.” found the Dutch Game Garden, Dutch Games Association and Videogame Federatie Nederland in their Dutch Game Monitor 2022.



Source: Dutch Game Monitor 2022

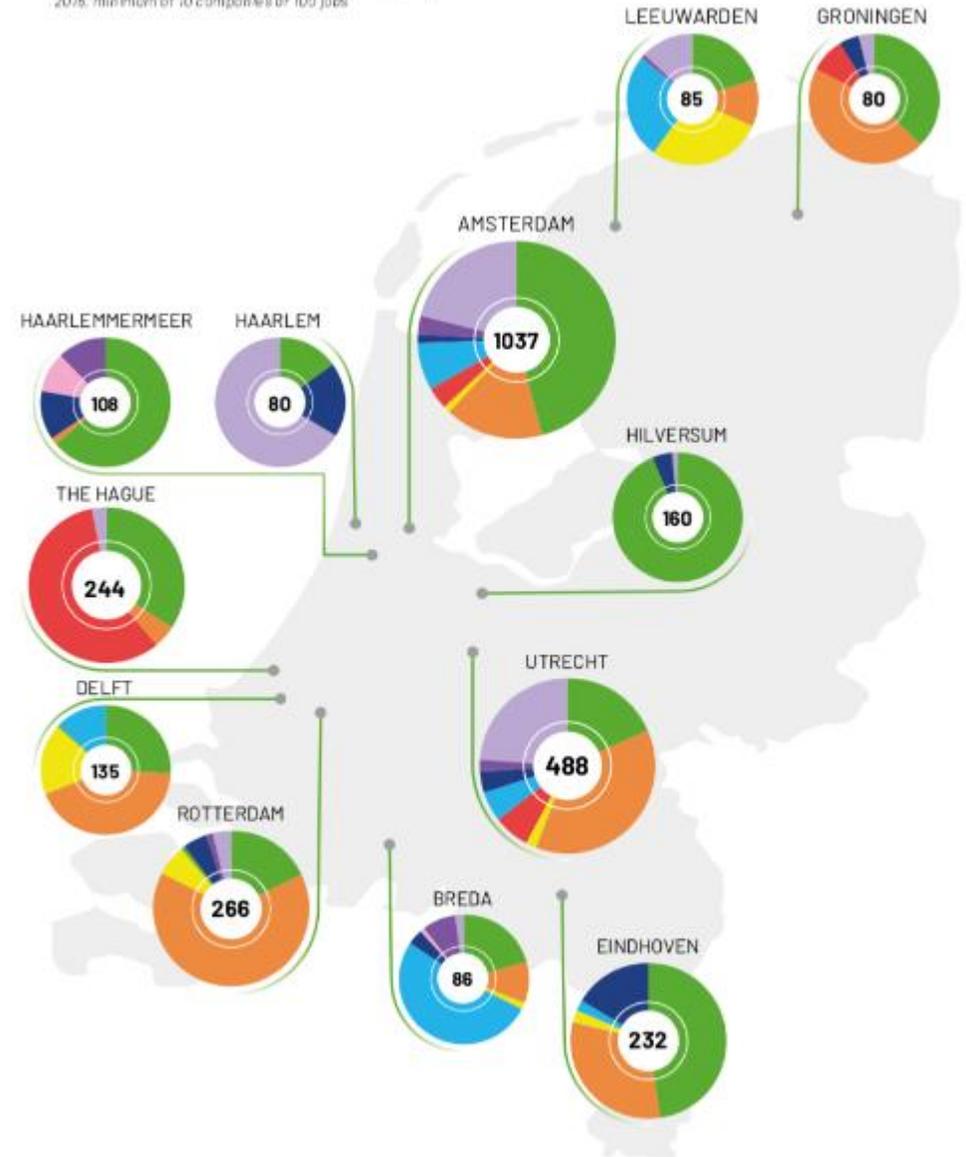
Utrecht & Amsterdam

Value Chain & Number of jobs in the games industry by city:

Value Chain	Turnover 2018 (in mln euros)	Jobs 2018	Companies 2018	Jobs per company	Job growth ¹ 2015-2018	Company growth ¹ 2015-2018
Game developer	185-230 ²	2730	415	6,6	795	30
Game developer /publisher		290	25	10,9	-35	5
Publisher	5-15 ³	150	25	6,3	-110	0
Distributor		20	10	2,7	-100	-5
Technology suppliers	5-15	140	15	10,1	50	5
Service provider	30-40	520	85	6,1	385	25
NL Games industry	225-300	3850	575	6,7	985	60

Source: NED Observatory, based on data from Dutch Game Garden/LISA/CBS

Figure 1.4. Number of jobs in the games industry by city, 2018, minimum of 10 companies or 100 jobs

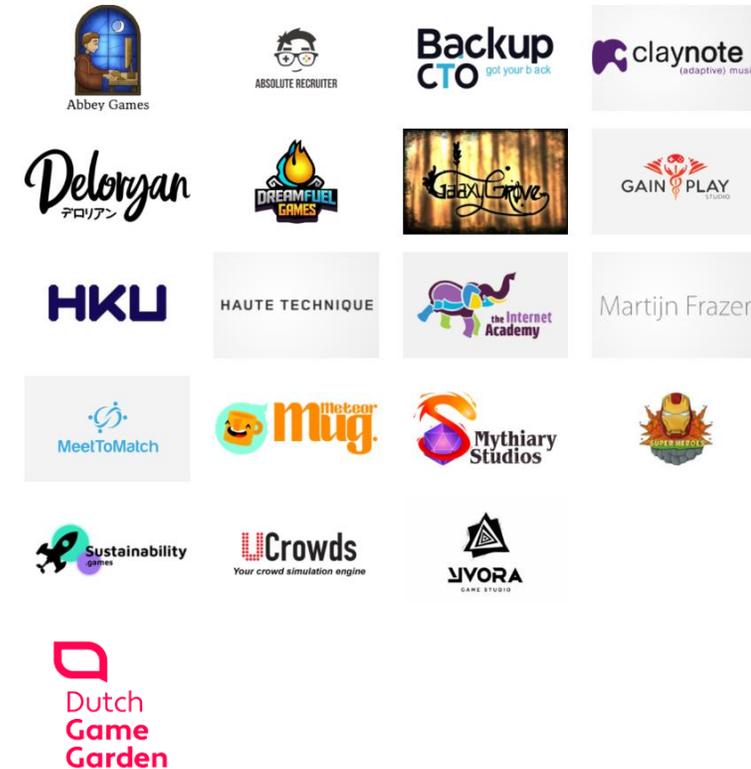


Source: NED Observatory, based on data from Dutch Game Garden/LISA

Utrecht

- The **Dutch Game Garden** in Utrecht is the biggest game incubator in the Netherlands and arguably in Europe. The Dutch Game Garden has incubated over **120 game startups** which have given rise to **350+ video game titles**.
- Consequently, there was an **explosion of new companies** and initiatives here: cooperation with schools, healthcare institutions, hospitals such as the Amsterdam Medisch Centrum, etc.
- **Studios originated from Dutch Game Garden:** Abbey Games (Reus, Renowned Explorers, Godhood), Vlamber (Ridiculous Fishing, Nuclear Throne), RageSquid (Action Henk, Descenders), Tover (Tovertafel), and Ronimo Games (Awesomenauts, Swords & Soldiers).
- **Studios from Utrecht:** Wooden Plank Studios, Pillar Games, Turtleneck Studios, Wispfire, Virtual Play

Dutch Game Garden current [tenants](#):



Malmö

- “When **Massive Entertainment** moved to Malmö in 2000, the video game studio would become a big name in the industry, while the city and surrounding area would become a **thriving hub for game development.**”, describes Invest in Skåne.
- “Massive Entertainment has been like a vacuum, **sucking up talent** from all over the world and bringing it to the region,” says Peter Lubeck, CEO of Game City.
- Malmö is home to over **70 studios and game developer communities**. That is approx. 5 times more game studios per capita than in London (2021), according to Nordic Game.
- Companies based in the city and surrounding area have been behind **popular titles** like Little Nightmares, Smash Hit, The Division, Touchgrind BMX, and Year Walk.
- **Range of studios:** Midnight Hub (indie studio that is currently working on the upcoming mystery game “Lake Ridden”) — to gaming giants Massive and King (Candy Crush developer) which has a studio in the city.
- Mundus International stated in an analysis that with game development blossoming, studios are becoming increasingly **open to cooperate with new businesses**. A parallel sector aimed to support game developers, such as cloud services and co-habiting spaces designed specifically for developers, has emerged in response to lift their work to new heights.
- They further analyse that due to chronic staff shortages, **outsourcing** services have also emerged, with many studios offshoring work to countries like Estonia, India, and Poland.

Malmö

	2021	2020	2019	2018	2017
Companies	120	102	71	70	63
<i>Malmö</i>	70	59	47	48	43
<i>Rest of Skåne</i>	32	25	10	9	8
<i>Blekinge</i>	18	18	14	13	12
Sweden	785	667	586	513	442
Employees	1 515	1 247	1 107	935	747
<i>Women</i>	21 %	19 %	18 %	18 %	17 %
Sweden	7 944	6 596	5 925	5 320	4 670
<i>Women</i>	22 %	21,4 %	21 %	20 %	18 %
Revenue	2 498 MSEK	1 985 MSEK	1 268 MSEK	878 MSEK	768 MSEK
Sweden	27 522 MSEK	22 187 MSEK	17 815 MSEK	14 291 MSEK	13 015 MSEK
Profit	268 MSEK	602 MSEK	159 MSEK	152 MSEK	152 MSEK
Sweden	2 917 MSEK	6 611 MSEK	3 903 MSEK	2 805 MSEK	4 177 MSEK

Source: Game Habitat.se: „Unique mapping of south Sweden’s game development industry”

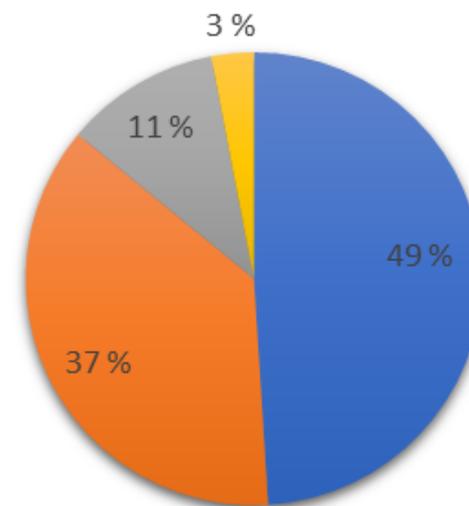
Malta

- “For a nation with a population of half a million, Malta’s position as a **leader in online gambling** is impressive.
- Industry forecasts predict a global online gambling market value of USD 94.4bn by 2024 and Malta is a **key player**.
- **10% of the world’s online gaming companies are registered in Malta**, and so a significant portion of global revenue is handled by businesses there.
- However, it was in 2004 that things really took off. Under Prime Minister Lawrence Gonzi, Malta became the first country to introduce online gaming regulations in the EU. These regulations gave internet-based gaming companies a clear legal framework to operate in.
- Today, almost **300 online gaming companies** call Malta home, with a broad mix of casino type games, lotteries, sports betting and companies running other events such as poker and bingo.” summarizes the British company XACE in an article.
- Big names in the gaming industry set up their headquarters in the Malta: i.a. **Betfair, Betsson** and **Tipico**.
- Forbes reports that Malta now wants to leverage its advanced technological infrastructure to become a **paradise for competitive gamers**: Following years of negotiations, Malta engineered a deal with ESL Pro League_– the world’s most prestigious *CS:GO* tournament – for the next three years.

Malta

- In terms of **employment**, as of June 2019, the online gambling industry in Malta employed some **7011 full-time jobs**, an increase of 200 on the amount employed in December 2018. Out of these 7011 individuals, 6142 work in online gaming compared to only 860 in the land-based industry.
- The online gaming industry is responsible for **12% of Malta's GDP** and it shows no sign of halting in its tremendous growth.
- The **corporate income rate** for businesses can be as low as an effective 5% rate. This is subject to meeting certain criteria and depending on individual circumstances. In respect of the revenue generated from licensable gaming services, the rate is set at 5% of the Gross Gaming Revenue.
- In Malta, gaming operators are only required to pay tax on revenue from Maltese customers.

Online gaming companies, that operate in Malta:



- Casino Style Games, Lotteries and Slots
- Sports betting
- P2P, Betting Exchanges, Skins, Tournaments and Bingo
- Software vendors taking commission on wager

Do you want to learn more?

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