The Games Industry in Ireland 2012

A conservative estimate of the size, scale, distribution and make-up of companies primarily deriving their revenues from computer and video games on the island of Ireland in 2012.

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Foreword by Aphra Kerr – Founder of GameDevelopers.ie

Few countries have access to independent data on their games industry – it is one of the most frustrating challenges of doing research on this sector. Over the past ten years three studies have been conducted in Ireland, and uniquely to my knowledge, each time this information has been given, gathered and published voluntarily. The first two studies I organised, this third one Jamie McCormick has done all of the work. He is to be commended for his efforts.

There is little point in developing industrial or educational policies without such information. Policy needs to be driven by data, particularly data that is independently gathered. There is an agenda behind this report - but an agenda that I think we can all buy into. Jamie wants to see the development of a sustainable games industry in Ireland that balances the best interests of international and indigenous companies and that provides good quality jobs for our school leavers and graduates.

A key challenge for policy makers is to gather information on newly established companies which are not yet 'client' companies of any state agency or which are hard to define in terms of a particular industrial sector. Game companies, particularly start-ups who are targeting web, social and mobile platforms are just such companies. This reports points to the rapid growth of micro Irish companies in this space and a surge in local entrepreneurship.

We might ask: are these internet companies, are they software companies or are they media companies? In many cases they are a bit of everything and their skill sets reflect this. It is incumbent on policy makers, academics and support agencies to understand the shifting nature of this industry. Make no mistake about it; all of these companies are 'high potential start ups' who are 'export orientated'. They may however, need different supports to our traditional software, media and animation companies. This will also need supports to get them beyond their first title release and to help them grow into companies which will attract additional investment.

This report also points to the growth of the foreign direct investment section of the games industry in Ireland and the numbers of jobs being created by these companies. The past year has seen both the positive and the negative side of foreign direct investment in this sector, with the closure of PopCap's office in Ireland and the loss of 96 jobs the most significant. This has been offset to some degree by the creation of a number of jobs in support services, but as with any industry it is important both to create good quality jobs and to create intellectual property and value. The more we can balance these two agendas, the more sustainable the local industry will become.

In the past few years the games industry has attracted significant political attention. We have had an action plan for growth and an advisory group is in place. This report highlights the importance of regular data gathering to inform policy development and the importance of companies giving that data. It also points to the need to balance the supports and attention given to large established international players with those of small indigenous start-ups. Their needs may be quite different. We will not solve the unemployment crisis by building up our games industry alone – but we can build some sustainable good quality jobs with the production of good quality information and its judicious use – and that can only help the larger economic project.

Dr. Aphra Kerr, Senior Lecturer, NUI Maynooth and www.gamedevelopers.ie
Nov. 2012

Foreword by Phil Bourke, Founder of GamesFleadh.ie

The Digital Games Industry was established over forty years ago, quickly moving from massive multiple player arcades to tiny sitting room locations to establishment of on-the-move 24/7/365 gaming. The last four decades has been revolutionary, driven by technological innovation, and consumer acceptance of those transformations. Throughout this journey there have been many crossroads, some of which have had an Irish connection.

These crossroads include seismic events such as the establishment of Atari's European Manufacturing Headquarters in Tipperary during the 1980's and subsequent shutdown in 1990's. The development and release of many consoles and titles have also had Irish links, via our developers, artists and musicians along with prolific technological innovations. The industry is once again on the cusp of great change.

Free to Play has revolutionised consumer expectations, and producers are once more required to buy time from their dedicated and transient audiences. Demand to connect with massive communities has grown, as well as the need to filter and sift those communities. Production costs range from pot noodles to VC funding pots. In either financing circumstance a return on investment is an essential outcome for continuance.

This requires Ireland to further develop its expertise in design, development, marketing and community management. Only where these key supports exist can we 'as one' create a digital game invention, distribution and servicing environment enabling Ireland to compete in acquiring one of the most challenging and valuable international resources, 'gamer time'.

Phil Bourke M.Sc. (Software Engineering), Lecturer, LIT Tipperary and www.gamesfleadh.ie
Nov. 2012

Synopsis

This report conveys the results of the Irish Computer Games Survey 2012, an independent study by Jamie McCormick, Marketing Systems Manager with Dublin based GALA Networks Europe, with input from by Dr. Aphra Kerr of NUI Maynooth and Dr. Phil Bourke of LIT Thurles. It seeks to establish a conservative estimate of the size, scale, distribution and make-up of those indigenous and international companies, who primarily derive their revenues from the computer and video games industry in Ireland in 2012. It is published for the GameDevelopers.ie community, and all other interested parties, to offer a benchmark against which future growth in the industry can be measured.

The report aims to outline how many games companies exist in Ireland at present, and ascertain where they are distributed throughout the island of Ireland. The survey gives an indication to the levels of employment currently available in this industry across both indigenous and international enterprises and outline how they are distributed across the island of Ireland. It further describes the current profile of employment this sector proffers in Ireland as well as identifying some clear gaps which could be developed.

This survey also endeavours to determine on which platforms games content is being created on at present and to identify the relevant changes which have occurred in this area since the last major report "The Games Industry in Ireland 2009" by Dr. Aphra Kerr and Dr. Anthony Cawley. The report further aims to estimate the size of the consumer games market in Ireland, and the corresponding VAT contribution this has generated over the eleven year period between 2001 and 2011.

The main survey in March 2012 identified 3,344 jobs across 75 companies throughout the island of Ireland. Of these, 280 individuals work in core development; this section includes 41 separate game development teams, working across 12 different platforms. Development was found to have centred primarily on the iOS platform, with browser and PC also commanding a significant amount of focus. 445 people were employed in various industry services; providing services or skills to developers, such as Middleware, QA, Localisation and consultancy advice. A further 736 jobs were estimated across retailers and services focused on the consumer games market. A total of 1,883 work in publishing functions which include business functions, customer support and various game operation roles. For this portion of those employed in the games sector it was found that the vast majority of employees are working in an international company.

A follow up survey was completed in October 2012 which identified 27 individual companies where changes had occurred. Three international companies reduced their investment in the Irish market, and one indigenous international business closed during the six months between surveys; it is estimated that these alterations have led to the loss of 590 roles based on published figures. There was a further net loss of eleven mainly part-time and contract roles among eleven indigenous development teams with six taking on staff, four reducing staff, and one remaining the same.

In contrast however an additional eleven development companies and one middleware company have been initiated in the indigenous sector; these are distributed across Down, Dublin and Meath, with an additional 59 jobs identified. One international company has announced an increase of 300 new jobs, while another indigenous company has announced a further 100 for the future, however it is unclear when these will be implemented. This further shows the impact that international games companies have on this industry. In total, the number of developers has increased by 292% and based on an adjusted number of 2802, jobs have increased by 91% since the time of the last major report on the industry in 2009.

It is an accepted conservative estimation that the Irish Games Market equates to between 6%-12% of the current UK Games Market. If the Irish Consumer Games industry is valued at the lower end of this scale using a 7% value; then it would be true to say that between 2001 and 2011 this sector has generated over €2 billion worth of sales over these eleven years; such a figure would generate over €440 million through VAT alone.

Introduction

It is three years since Dr. Aphra Kerr's and Dr. Anthony Cawley's "The Games Industry in Ireland 2009" survey was conducted to take a census of the Irish Games Industry that existed at the time. It estimated that then there were 1,469 employed among 21 companies. Kerr and Cawley's report found that there had been a rapid growth in community support jobs in foreign owned companies in the Irish games industry.

In September 2011 Forfás, Ireland's policy advisory board for enterprise, trade, science, technology and innovation, released the 'The Games Sector in Ireland: an Action Plan for Growth' which estimated that the industry employed 2,000 people (pg 21). This report found that while almost 90% of employment was in foreign owned multinationals, most of the development work was in Irish owned startups.

Launching the Forfás report, Minister Bruton said "This government has identified digital games as a target with particularly high potential for jobs growth in the coming years. The global industry is predicted to be worth $82billion by 2015, and we in Ireland could create jobs in the sector for an extra 2,500 within three years". In February 2012, this report was largely adopted as section 7.7 of the Action Plan for Jobs 2012 (pg. 94).

The Irish Computer Games Survey 2012 was initiated in March 2012 month to establish the size, scale, distribution and make-up of the industry at the time, and to give a benchmark against which future growth can be measured. A follow up survey to identify changes in the industry was conducted in October 2012. The report also seeks to establish and estimate to the value of the Irish consumer digital gaming market.

Aims & Objectives

The 2009 survey, comprising of 30 individual questions, aimed to develop a census sheet, to identify the core functions within Irish game companies, to estimate levels of employment and demographics of employees and to track the linkages that Irish companies have to other companies both locally and internationally. Thus there were three sections – company background, employment, location and linkages.

This 2012 survey follows a more macroscopic remit, focusing on establishing the size, scale, distribution and make-up of companies operating in the Irish Computer Games Industry, but also to look at the broader industry beyond development, publishing and middleware that exists in Ireland today. This will establish a broad benchmark against which future growth can be measured.

It also aims to establish an estimate of the size of the consumer digital gaming market, and estimate its contribution to state revenues through VAT over the last eleven years.

The survey was developed to answer the following questions:

- To identify how many games companies exist in Ireland, and their locations across the island of Ireland
- To estimate levels of employment at national and regional levels between the different sectors
- To identify the changes in both the indigenous industry, as well as those of the multinationals that operate here over the last three years
- To identify what platforms are being worked on for commercial game development
- To identify what kind of jobs are currently available in the Irish games industry including those outside of development, middleware and publishing

In addition to these surveyed goals, this report aims:

- To estimate the value of the Irish retail games market and measure it's growth over time
- To estimate the consumer games industry's contribution to state coffers through VAT.

Current market development: The Irish Digital Gaming Industry

Ireland has become a technology hub in Europe, and parallel to this, a sizeable digital gaming industry has risen from a handful of companies in the 1990's and early 2000's. The current industry boasts over eighty companies operating on the island. These fall into the following four broad categories:

- Core development
- Industry Services; e.g. Middleware
- Publishing Functions
- Consumer Market Functions

A number of trailblazing Irish companies have led the way to notoriety among the broader industry. The vast majority, upon achieving this successs, have subsequently been acquired by large international publishers or technology companies to secure their specialised technologies and expertise, e.g. Havok, Demonware, and Jolt.

Today a new generation of companies are evolving in the specific area of games content creation; a section of the industry in which Ireland has historically been weak. Despite a limited local market, the developments in on-line functionality have given this wave of developers much greater access to worldwide distribution. A successful development in this key area could lead to a healthy portal for digital exports and future growth in the sector.

A number of major international game publishers have established sizeable operations in three cities in the Republic of Ireland with the help of the Industrial Development Authority (IDA). This has led to an influx of experienced staff across many areas of development and publishing. They have arrived in Ireland from across the globe, bringing with them the cutting-edge skills and expertise this industry is based upon. This knowledge has been absorbed by existing staff and is now beginning to be implemented to grow a new home-grown development industry.

Start-up studios, as well as part-time projects going full-time, have jumped at the opportunity to create games. They have begun to feel the benefits of recent changes to the rules covering access to Enterprise Ireland (EI) funding and support, including the Internet and Games Competitive Start Fund (IGCFS) and the Internet Growth Acceleration Programme (iGAP). The expansion of these grants to acknowledge digital gaming products as a recognised business; a major victory for this growing industry, has allowed an increasing number of indigenous companies to gain access to seed capital, incubation space, mentoring, and in turn, begin to release products or services in this expanding market sector.

Many Irish Third Level Institutions now have a wide range of games development courses at graduate and postgraduate levels. There is a clear exchange of know-how through hands-on intervarsity events such as the well-established Games Fleadh in LIT Thurles, and the annual State of Play event hosted by DIT. The international Dare to be Digital competition, organised from Dundee in Scotland, has allowed young developers to cut their teeth so to speak. While there has yet to be an Irish winner, the competing teams have been able to use this platform as a showcase for their skills and get a prototype together. There are also new opportunities to participate in some free, part-time training courses through such programs as SpringBoard , which allow an individual who meets the criteria, to develop relevant skills for this industry. These include the WebElevate program at Digital Skills Academy in The Digital Hub.

More recently the establishment of a specific lobby group for the industry, Games Ireland, has seen the development of industry position papers and large scale events such as the Games Ireland Gathering (GIG) 2012 which took place in Dublin. This was not the first such event in Ireland given that a large industry event 'Awakenings' took place in Derry, Northern Ireland, in 2004.

A motivated grassroots effort is also underway by the broader games community to incubate new talent and assist each other to grow the indigenous industry as a whole. This is being promoted by hosting events such as day and weekend long coding sessions called

Game Jams. The annual Dublin GameCraft and as well as the annual International Game Developers Association (IGDA) Global Game Jam each January are examples of this kind of progression. People who have had success are sharing know-how on a regular basis at organised industry events and monthly Mindmelds organised through GameDevelopers.ie. The Science Gallery at Trinity College, is organising workshops over the coming months, and an exhibition on the industry called GAME: The Future of Play runs from 16th November 2012 until to 20th January 2013.

At consumer level, games retailers, supporting services and supply chains have spread across major towns and cities nationwide. These are beginning to adapt to the new economic environment by focusing more intently on digital distribution to reduce overheads. A similar shake-out to the rest of the retail industry has been underway over the last few years, but new types of consumer-focused companies including venues such as gaming centres are becoming more common and tournament based companies are also beginning to emerge catering to the competitive gaming scene.

The International Landscape: Opportunities for Ireland

In the global industry, there has been a lot of disruption over the past decade as new business models, such as micro-transactions and digital downloads have become established. These have challenged the status quo that existed up until the late 2000's. New technologies and new platforms have made small-scale development viable again and independent development is flourishing as companies sell content over the internet to a global audience via platforms such as Steam, iOS, Android, Playstation Network and Xbox Live. The access to the global market has also produced an increase in small teams self-publishing using the web as their medium. The developments in browser technologies, such as HTML5 and Flash have enabled it to become a platform in their own right, capable of supporting in-depth games. Some companies are experimenting with browser technologies to develop games, as well as education tools and interactive training software which are some of the concepts investigated by the research into the applications of 'Serious Games'.

Technological developments such as these and the subsequent removal of many barriers to entry have offered start-ups new routes to market. New publishing possibilities are becoming accessible to individual teams. The traditional retail model constrained by the "6 week shelf life" of the average video game is no longer the only option. This model had various drawbacks such as the high risk and large up-front capital requirements, a problem which has proved nearly insurmountable and thus has hindered the vast majority of developers making games in Ireland over the last decade; only a handful of Irish developed games have been released in the past ten years.

Most of the large international developers and publishers are moving some, if not all of their products, to online platforms. This has produced a growing requirement in the areas of community and customer support; as games shift from being standalone off-line or multiplayer products to online services supporting hundreds of thousands of people. Online products are also available in a wider range of languages than traditional console games which allows an individual developer to expand into new and underdeveloped markets which were not traditionally catered for until recent times.

The next decade will see a pronounced shift away from packaged consumer goods and towards digital downloads and digital services a movement which is already making some clear headway, especially with mobile applications and tablet software.

Methodology

The methodology employed to generate this report is as follows. Two ten-question online surveys were conducted in March and October 2012. While the questions were not identical, the same information was asked for, giving consistent results across the timeframe.

This survey was processed using Polldaddy and drew on direct responses, trusted industry sources, and bare-minimum estimates, (i.e. 1) for staff of identified companies who did not directly participate. This was promoted through the GameDevelopers.ie community, industry events and industry contacts, as well as internationally through GamesIndustry.biz.

The results were collected and compiled separately to gleam comparative information on the Irish games Industry. This information was then utilised to determine a conservative estimate of the size, scale, distribution and make-up of companies primarily deriving their revenues from computer and video games on the island of Ireland.

For the purposes of this report the information attained for responses given on the March 2012 survey were used to suggest the initial benchmark. By comparing this information with that of the October 2012 responses we have been able to capture a snapshot of current trends to gather the relevant information to meet the goals of this report.

It is important to note that while reasonably comprehensive it has been necessary for consistency to exclude several companies that work on games industry contracts, but who do not primarily derive their revenue from the games industry. An example of this situation are those hosting customer contact centres for a games company but who do not consider themselves fundamentally part of the games industry. Companies from the gambling industry have also been excluded from this report, despite some obvious crossovers within the skillsets; the licensing in this area has led to their current exclusion.

Findings of The Games Industry in Ireland 2012 Report

Relevant Definitions:

1. Indigenous companies are defined as companies originally established first in the Republic of Ireland or Northern Ireland.
2. International companies are defined as companies originally established first outside of the Republic of Ireland or Northern Ireland.
3. Indigenous international companies are defined as those originally established first in the Republic of Ireland or Northern Ireland, but have since been absorbed into an international company.

Establishing the size and scale of the Irish Computer Games Industry.

The following information was gleaned from the March 2012 survey as a means of determining the size or the Irish games industry.

The question was asked of all participants in the survey:

Q. How many people are working for you, full, part time or interns?

This yielded the following responses:

- 43 companies directly responded to this question
- These companies confirmed that 1882 people in total were employed between them.
- A further 32 additional companies were identified through referral, and published documentation
- These using a combination of both publically available staffing figures and, where needed, a notably conservative estimation produced a further job yield of 1462 staff.

This information suggested that as per the end of February 2012 there were at least 75 companies operating within the digital gaming industry on the island of Ireland. However to have a true picture of growth in this sector it was important to determine the origins of these companies. To this end further research was undertaken which showed:

- Number of indigenous companies (58) and indigenous international companies (3) still operating in Ireland equated to 61. The number of employees across this section totalled 872.
- Number of international companies currently operating in Ireland under their own banner totalled 14 and employed a full complement of 2472 staff.

This March 2012 survey therefore estimated that there were at least 3,344 people working in the industry in Ireland in February 2012.

Notes:
Four indigenous companies have been identified as having no staff in Ireland, three of which have expatriate staff abroad.

Establishing the distribution of the Irish Computer Games Industry

The following information was gleaned from the March 2012 survey as a means of determining the distribution of the Irish games industry.

The question was asked of all participants in the survey:

Q. What county/town/city are you based in?

The responses of which are shown in Fig. 1 below.

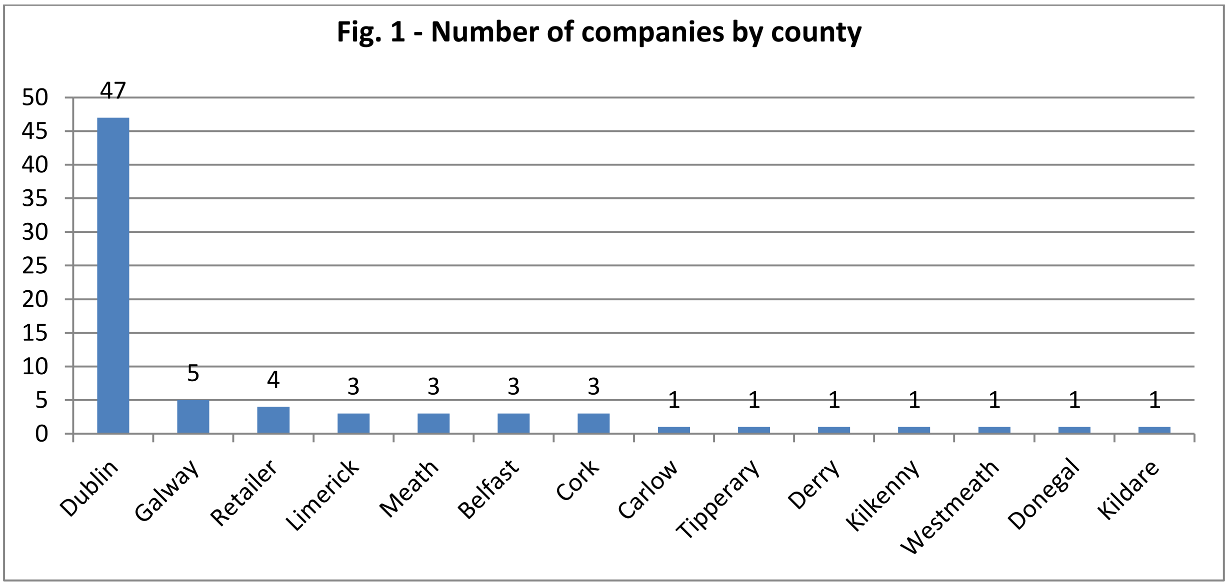


Fig. 2 below was compiled to show the distribution of the games industry across the four provinces with a fifth segment detailing the number of jobs absorbed in nationwide retailers.

Fig 2. Jobs by Region in the Irish Computer Games Industry

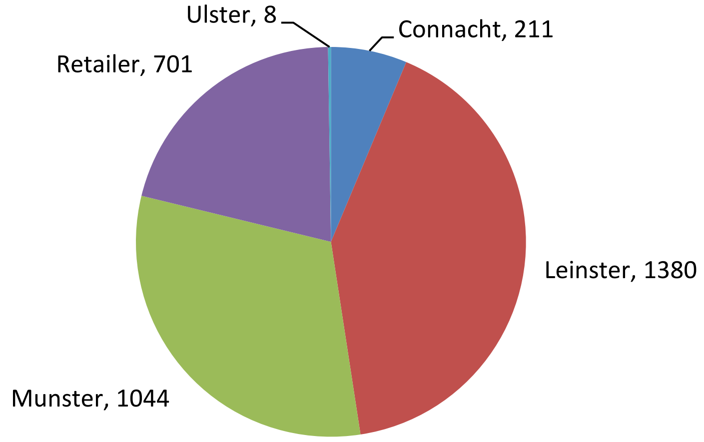


Fig. 3 - Types of companies operating in Connacht

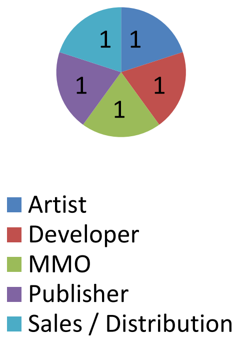


Fig. 4 - Types of companies operating in Munster

Fig 5 - Types of companies operating in Ulster

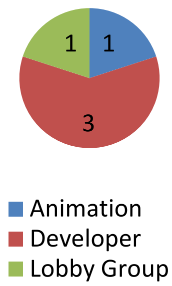
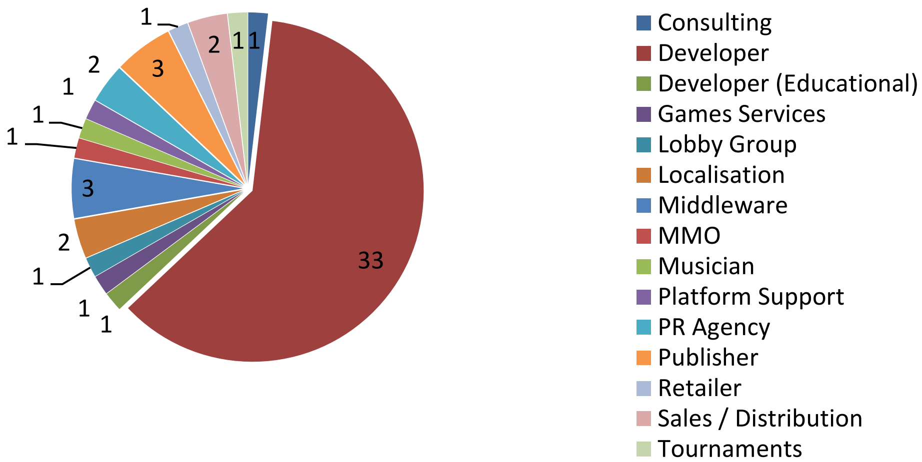


Fig. 6 - Types of companies operating in Leinster



Figures 3, 4, 5 & 6 above show the nature of each business comprised in the four provinces. The prevalence of all levels of the games industry in each area is also displayed.

Establishing the make-up of the Irish Computer Games Industry

The following information was gleaned from the March 2012 survey as a means of determining the makeup of the Irish games industry.

The question was asked of all participants in the survey:

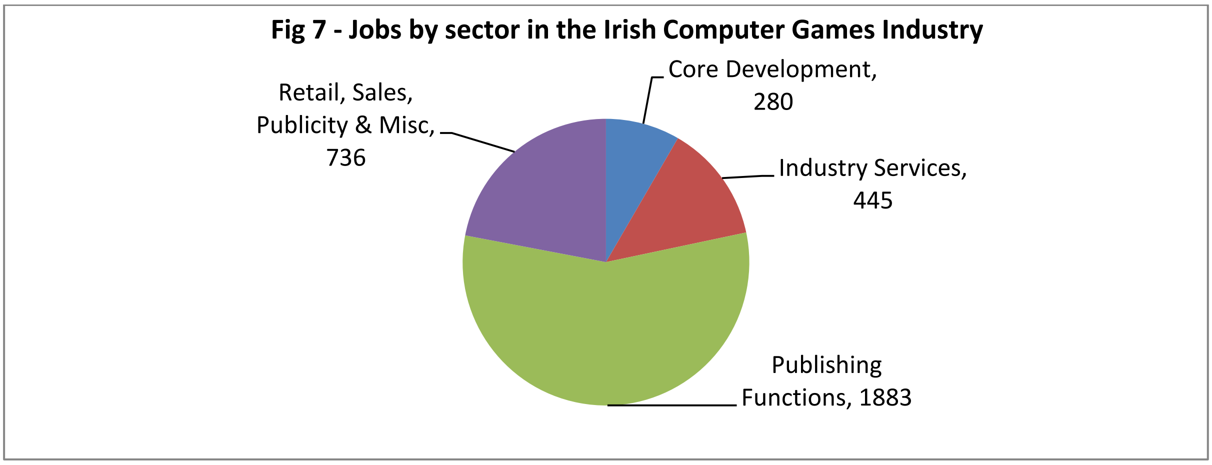
Q. What type of company do you work for?

Table 1. Displays the responses to this question. It shows the type of company, the number of which is displayed to the right. These answers are further combined to evaluate the number of companies in each market section highlighted in blue.

Table 1. – Types of company in the Irish Games Industry

Core Development	**41**
Developer	39
Developer (Educational)	1
eLearning Games	1
Industry Services	**15**
Animation	1
Artist	1
Consulting	1
Games Services	1
Lobby Group	2
Localisation	2
Middleware	3
Musician	1
Platform Support	1
PR Agency	2
Publishing Functions	**9**
MMO	3
Publisher	6
Retail, Sales, Publicity & Misc	**10**
Hardware Retailer	1
Retailer	5
Sales / Distribution	3
Tournaments	1
Grand Total	**75**

Figure 7. shows the number of jobs held in each sector according to the March responses. It combines the responses shown in Table 1. with the known number of employees for each company responding or researched to give an indication of where the majority of jobs are currently held.



To gather some general information on the type of positions which were held in the Irish games industry when this survey was presented, the following question was asked:

Q. Can you list the different general categories you have staff for?

Table 2. below shows the relevant types of positions advised by direct respondents.

Table 2 – Types of jobs in the Irish Games Industry

Development Roles	**Publishing Roles**	**Game Operation Roles**
	Business	
Animator	Development	Community-Manager
Game-Designer	Distribution	Customer-Support
Graphic-Artist	Localisation	Games-Master
Illustrator	Marketing	Producers
Level-Designer	PR	
Programmer	Product-Managers	**eLearning Roles**
Project-Manager	QA	Education Liasion
R&D	Sales	
Software-Engineer	Testing	**Office Roles**
Sound-Designer		Administration
	Systems &	
Sound-Engineer	**Technology Roles**	Finance
System-Architect	Cloud-Engineer	HR
Tools	Network-Support	Management
UI	Server-Operations	
Web-Developer	System-Engineers	**Intern Roles**
Web-Planner		Part-Time Interns
Writer		Full-Time Interns

Note: As only a small number of respondents listed the numbers doing each role, detailed information on how many are doing each role is unavailable in this report.

To isolate the key platforms which were being prioritised in the Irish game industry during this survey, the below information was requested question was asked:

Q. What platforms do you work on?

This yielded the following responses definitive responses from 46 individual companies. The results of this question are displayed in Figure 3 below in descending order.

Table 3 – Platforms being worked on in the Irish Games Industry

Platform	Number of Companies
iOS	19
Browser	10
PC	10
MMO	6
Mac	5
Android	4
Facebook	4
Unspecified	4
Mobile	4
Xbox	2
Playstation	2
Serious Games	2
Nintendo	1

Note: There is some overlap due to cross-platform development. Hense the number of companies is not equal to those platforms utilised.

Findings of the October 2012 Follow Up Survey

A follow-up survey was completed in October 2012. During this survey, further information was attained from 27 companies.

Negative alterations to employment numbers:

It was found that one indigenous international company closed in the six month period between these reports. Two international companies removed their investment in the Irish market. A third international company announced redundancies which were completed during this timeframe. Between these, it is estimated that 590 jobs were lost.

Eleven companies responded to both surveys. Among these, four developers lost twenty-one staff, one had no perceptible change in staffing, and six of the developers employed ten additional staff between them. This produces a further net employment loss of 11 staff. It should be noted that most of these losses were in part-time, contractor or intern positions.

Positive alterations to employment numbers:

A total of twelve new companies were identified in the October survey. Nine of which are comprised of one developer in Co. Down, seven additional developers in Dublin, and one more developer operating in both counties Dublin and Meath. An Industry Services team was the tenth with the remaining two operating as media outlets. Between these a total of 59 additional jobs were identified. The majority of these were formed in the last six months.

Combined employment alterations:

The above figures from the October update show a net change reduction in employment of 542 identified job losses. This reduces the total estimated in the March figures to 2802 jobs; despite the increase of the number of companies from 75 to 83.

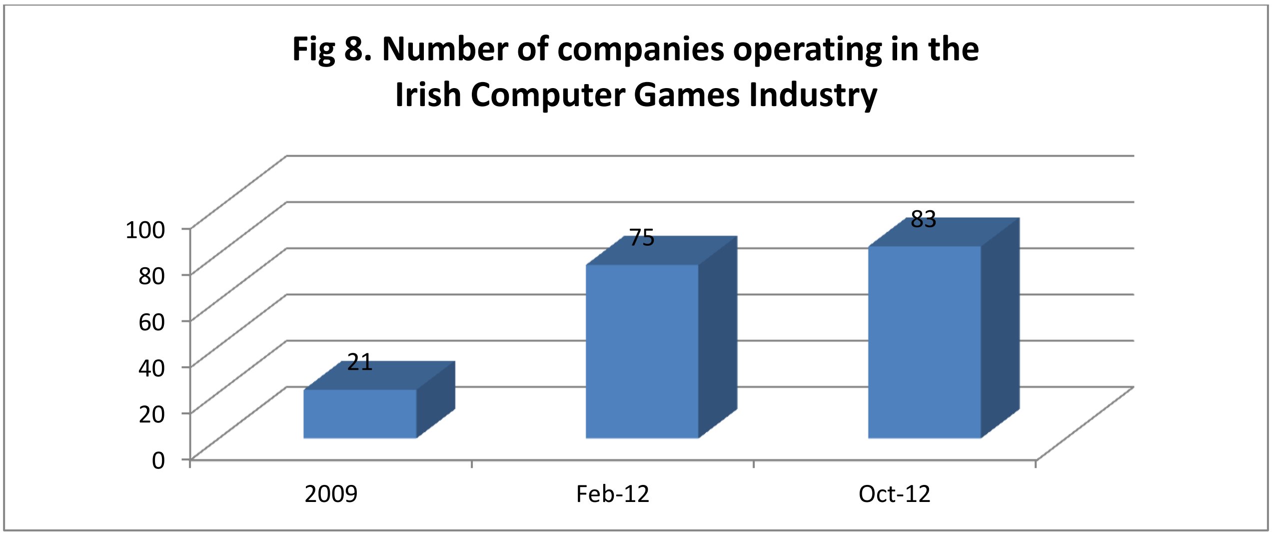
A further 300 new jobs have been announced by an international company, and a further 100 by an indigenous company, although it is unclear when these will be filled and have therefore not been included in these calculations.

Additional relevant alterations:

Five companies expanded the number of platforms they are releasing content on - four Android, two PC, one Xbox, one iOS, one Mac and one Linux games are being worked on in the six months between the two reports.

Industry Growth Over Time

The last report of a similar nature, The Games Industry in Ireland 2009 (A. Kerr, & A. Cawley) identified 21 individual games companies. Figure 8. Displays this figure alongside the number of games companies operating in Ireland as identified in this report.



Notes: It should be noted though that one international company and nine indigenous companies included in the 2012 report were also active in the Irish market at the time of the 2009 report. These include companies occupying the retail, sales, marketing, media and PR services sectors. The more macroscopic remit of this report allows them to be now included.

Fig. 9 below displays the current average trend increases from 2002 where the earliest research available on the Irish Computer Games Industry is first documented, until the current values as per this report. It showcases the industry development over the last ten years.

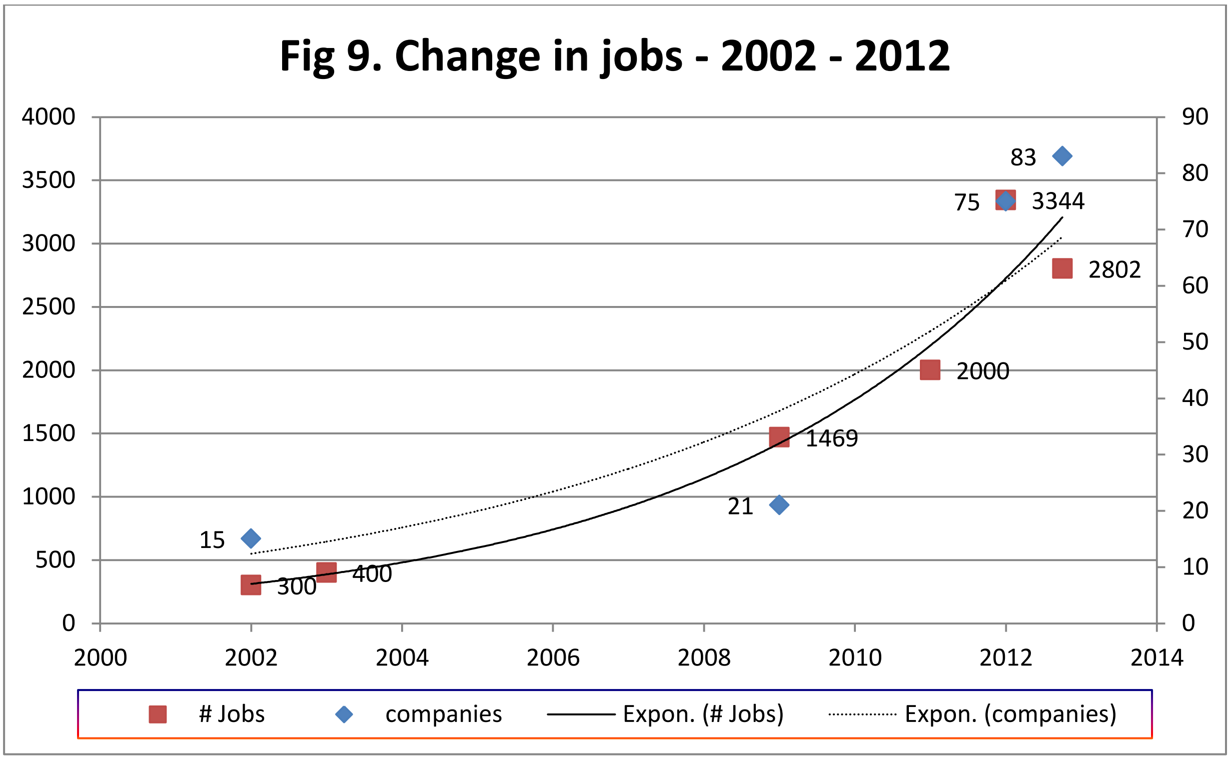


Table 4. Data points for Figure 10.

Report	**Year**	**# Companies**	**# Jobs**
Kerr	2002	15	300
Forfás	2003		400
Kerr & Cawley	2009	21	1469
Forfás	2011		2000
ICGS 2012 – March	2012	75	3344
ICGS 2012 – October	2012	83	2802

Fig. 9 above indicates that throughout the above timeframe, there has been an exponential rise in the number of companies. There is also a consistent average increase in employment numbers; while simultaneously showing the clear effect of reduced international investment on employment numbers between the two surveys.

Additional Research

Estimating the value of the Irish Consumer Games Market

The prevalence of online imports into the Irish market; be it hardware, software or peripherals; in addition to the mix of international and indigenous specialist and general retailers currently operating within the Irish market, makes it difficult to get a definitive value for the Irish consumer games market.

This having been said, some anecdotal evidence gathered from professional industry contacts over the last decade, sees over a dozen games publishers I have spoken to estimating the size of the Irish Games Market as between 6% and 12% of their UK sales. The exact percentage, these contacts suggest, is directly related to the level of activity their particular company invests in PR, trade marketing and consumer marketing within the island of Ireland.

To identify a figure which can be used to develop a model for the current market value of the Irish consumer games market, it is necessary to view Ireland as a percentage of the combined UK & Irish consumer games market.

Table 5. Displays the population of Ireland, as a percentage of the sum total of both Ireland and the UK between 2001 & 2011. Figures have been sourced from the UK & Irish Statistics Offices. As figures for the UK market at present also include that of the Irish market this table shows an estimated percentage value for the Irish market share based on population size.

Table 5. Population Figures 2001 – 2011 (UK & Ireland)

Year	UK Pop.	Irish Pop.	Combined Pop.	Ireland Pop. as % of Combined Market
2001	59,113,500	3,917,200	63,030,700	6.21%
2002	59,318,800	3,979,900	63,298,700	6.29%
2003	59,552,200	4,045,200	63,597,400	6.36%
2004	59,841,900	4,133,000	63,974,900	6.46%
2005	60,235,500	4,232,900	64,468,400	6.57%
2006	60,584,300	4,339,000	64,923,300	6.68%
2007	60,985,700	4,422,100	65,407,800	6.76%
2008	61,398,200	4,459,000	65,857,200	6.77%
2009	61,792,000	4,470,700	66,262,700	6.75%
2010	62,262,000	4,484,300	66,746,300	6.72%
2011	62,732,000	4,497,900	67,229,900	6.69%
2001-2011 Average	60,710,555	4,271,018	64,981,573	6.57%
2007-2011 Average	61,833,980	4,466,800	66,300,780	6.74%
	Source: UKNS	*Source: CSO*		

Table 5.1. Focuses on the core digital gaming age range of 10 – 44 years old in both the UK and Ireland and again evaluates a percentage population share focusing on this key demographic. All values were attained using Eurostat.

Table 5.1. Population Figures
2001 - 2011 10-44 Y.O. (UK & Ireland)

Year	UK Pop. 10 - 44 Y.O.	Irish Pop. 10 - 44 Y.O.	Total	% Irish	Pop. Outside range UK	Population outside range Ireland
2001	28,392,143	2,064,049	30,456,192	6.78%	30,721,357	1,853,151
2002	28,527,118	2,098,296	30,625,414	6.85%	30,791,682	1,881,604
2003	28,619,761	2,123,941	30,743,702	6.91%	30,932,439	1,921,259
2004	28,700,652	2,146,862	30,847,514	6.96%	31,141,248	1,986,138
2005	28,814,188	2,185,038	30,999,226	7.05%	31,421,312	2,047,862
2006	28,906,319	2,240,780	31,147,099	7.19%	31,677,981	2,098,220
2007	28,948,844	2,296,389	31,245,233	7.35%	32,036,856	2,125,711
2008	28,953,631	2,328,526	31,282,157	7.44%	32,444,569	2,130,474
2009	28,885,646	2,321,235	31,206,881	7.44%	32,906,354	2,149,465
2010	28,800,720	2,287,238	31,087,958	7.36%	33,461,280	2,197,062
2011	28,725,481	2,336,035	31,061,516	7.52%	34,006,519	2,161,865

2001-2011 Average	28,752,228	2,220,763	30,972,990	7.17%
2007-2011 Average	28,862,864	2,313,885	31,176,749	7.42%
	Source: Eurostat	*Source: Eurostat*		

Fig. 10 – Core games market (10 – 44) as proportion of overall population

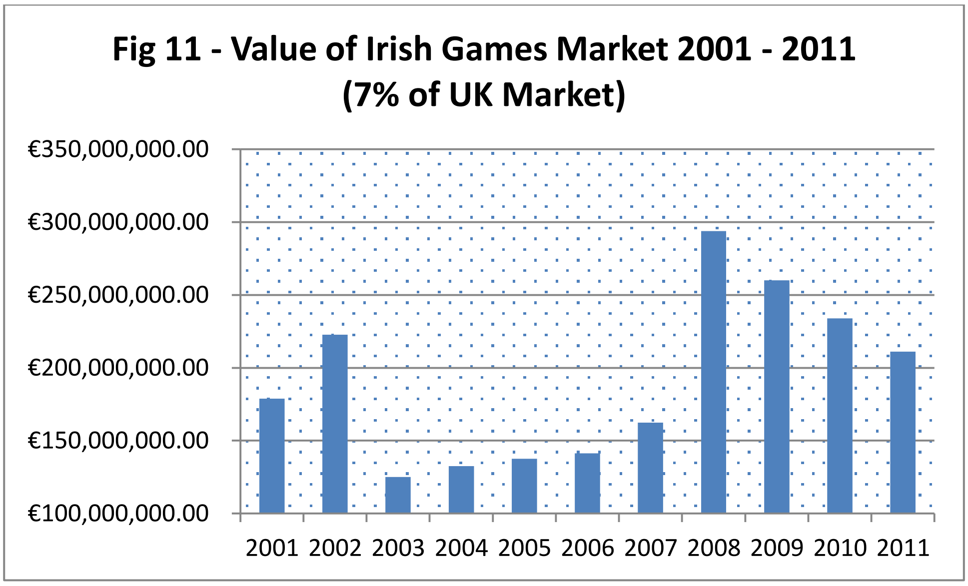
It can be inferred from Table 5.1 and Fig. 10 that the potential share of the market increases when the core market demographic is specified. When evaluating Tables 5 & 5.1 in combination, accepting 7% as an average value does not appear altogether farfetched; accordingly this figure has been adopted for the purposes of this report as a suitably conservative estimation for the percentage market share of the UK games consumer industry held by the Irish consumer games market. The actual percentage may in fact be higher given the higher spending power of Irish consumers for much of the period of 2001-2011.

As we have determined a satisfactory estimated value for the portion of the UK industry held by the Irish consumer market, we can turn to annual figures published historically by ELSPA and currently by UKIP, which detail the development and market value of the entire UK market.

Table 6. Value of Games Market 2001 - 2011 (UK & Ireland)

Year	Value of UK Market (inc Ireland) £GBP	£/€ Rate ECB 1st January	Value of UK Market (inc Ireland) €uro	Value of UK Market (excluding Ireland)	Value of Irish Market (7% valuation)
2001	£ 1,600,000,000.00	0.6262	€ 2,555,094,219	€ 2,376,237,624	€ 178,856,595
2002	£ 2,074,000,000.00	0.652	€ 3,180,981,595	€ 2,958,312,883	€ 222,668,712
2003	£ 1,260,000,000.00	0.70545	€ 1,786,093,983	€ 1,661,067,404	€ 125,026,579
2004	£ 1,340,000,000.00	0.70725	€ 1,894,662,425	€ 1,762,036,055	€ 132,626,370
2005	£ 1,350,000,000.00	0.6865	€ 1,966,496,723	€ 1,828,841,952	€ 137,654,771
2006	£ 1,360,000,000.00	0.6735	€ 2,019,302,153	€ 1,877,951,002	€ 141,351,151
2007	£ 1,720,000,000.00	0.7413	€ 2,320,248,213	€ 2,157,830,838	€ 162,417,375
2008	£ 4,034,000,000.00	0.961	€ 4,197,710,718	€ 3,903,870,968	€ 293,839,750
2009	£ 3,311,000,000.00	0.8914	€ 3,714,381,871	€ 3,454,375,140	€ 260,006,731
2010	£ 2,880,000,000.00	0.86131	€ 3,343,743,832	€ 3,109,681,764	€ 234,062,068
2011	£ 2,520,000,000.00	0.83514	€ 3,017,458,151	€ 2,806,236,080	€ 211,222,071
Total	£ 23,449,000,000.00		€ 29,996,173,883	€ 27,896,441,711	€ 2,099,732,172

By using this information we can therefore estimate the value of the Irish market over the last eleven years between 2001 and 2011. This is graphed in Fig. 11 below.



Therefore, based on a 7% value of the UK market, it is estimated that €2,099,732,172 has been spent on the consumer games market in Ireland over the last 11 years.

Table 6.1: Estimated VAT contributed by the Irish Games Market 2001 – 2011

Year	VAT Rate	Estimated VAT
2001	21.00%	€ 37,559,885
2002	21.00%	€ 46,760,429
2003	21.00%	€ 26,255,582
2004	21.00%	€ 27,851,538
2005	21.00%	€ 28,907,502
2006	21.00%	€ 29,683,742
2007	21.00%	€ 34,107,649
2008	21.50%	€ 63,175,546
2009	21.50%	€ 55,901,447
2010	21.00%	€ 49,153,034
2011	21.00%	€ 44,356,635
Total		€ 443,712,988

Source: Revenue.ie

Notes:

VAT rate from 1/12/08 - 31/12/09 is 21.5%

As most sales around Christmas, I have used this rate for 2008

Based on the figures shown in Table 6.1, it is estimated that €443,712,988 has been generated purely as a VAT contribution by the Irish consumer games market over the last eleven years.

Notes:

Please keep in mind the console life cycles when looking at this data, 2001/2002 were the big sales years for PS2 and Xbox, 2008/2009 is Wii/PS3/X360. So consider that these years have a higher proportion of hardware sales vs software sales, than later years in the cycle.

Conclusions

The survey highlights some important changes that are happening within the Irish Computer Games Industry.

The report shows a large increase in the number of developers within Ireland, most specifically in the Leinster region. The 2009 report identified thirteen development teams, while our March report identified forty-three. An additional increase of a further eight teams, bringing the total number of developers in Ireland to fifty-one, was found when adjustments were made to include the figures from the October 2012 follow up survey. This represents a 292% growth in the number of game developers in the last three years.

This coincides with two major factors: the increased availability of access to early-stage supports through Government Agencies, as well as specialised third level courses beginning to cycle through their first few years of graduates. The figures attained for this report would suggest that these factors have begun to yield a measurable impact on the core development sector of the Irish Games industry.

In terms of jobs growth, the industry has grown 91% in the three years since 2009 to an estimated total of 2802 workers. While it is true to say that the surge in the number of indigenous developers now operating in Ireland has assisted greatly in providing new employment opportunities; the investment and continued expansion of the various international and indigenous international companies choosing Ireland as its launch pad, has equated to the vast majority of the additional roles which have become available over this timeframe.

While attracting such international businesses is of vital importance and a trend to be encouraged; the October 2012 survey also highlights the risks of focusing exclusively on international companies to fuel growth. Although most of the indigenous companies identified are currently of a small scale, as these companies expand they will eventually experience problems transforming to larger scale operations. This statement is based on the historical experience of those few success stories which have attempted to do so before now. When comparing results from the 2009 survey to this one, it showed that when an indigenous Irish company expands to a point, or develops a product which can genuinely compete on the international stage, they have chosen instead to become part of a more established multi-national enterprise instead of staying independent.

Encouraging these growing businesses to become international successes themselves, without having to rely on a takeover to enable this transition, is something which will require significant investment in the future. This is key to securing a wide base of sustainable organic growth in Ireland.

Further figures garnished from answers provided in this survey showed that there was a significant difference between employment numbers of companies who were pre-release on their first game, or only had one product currently published against those developers who have progressed to having three or more games published on the market. This indicates, that to promote the long-term future health of the indigenous games industry in Ireland, a concerted focus must be placed on assisting new developers to get through the early-stages of setting up a business, and in getting a number of games onto market as quickly as possible to begin generating revenues, if employment opportunities are to be maximised.

An interesting thing to note, which the results of this survey presented, is that there is a mismatch between the publishers and developers that operate in Ireland. The platforms that the international publishers work on versus those that are being developed on in Ireland are different. This highlights that there is still a problem for developers getting a publisher to promote their games internationally, as there is no local publisher to help them do so on the platforms currently being developed on.

Investigation into the games being released by indigenous developers who participated also shows that very few have got to the stage of internationalising their products through localisation into languages other than English. This may be an opportunity for export growth and sales, and leverage the skills currently available in Ireland among the publishers that exist in Ireland today.

A critical mass could be said to exist in Dublin, but while the regional figures between Leinster and Munster may look similar on the surface, Munster and Connacht are heavily reliant on a small number of international companies for the majority of these jobs. A shock to job numbers here would cause major problems, whereas a similar shock in Dublin would give existing staff a much better option to be re-employed locally, especially among those who have migrated to Ireland for work.

The report also highlights some interesting trends. While a lot of focus at third level has been made on developing an industry that can compete on the traditional console platforms, the reality of the industry that exists today is that mobile and web platforms are where indigenous developers have ultimately decided that they can make a living. We found that so few Irish companies develop Social Games for the likes of Facebook, given the huge market opportunity that exists.

Finally, the competitive landscape is going through a period of maturation as new business models shake out the industry. The survivors of this should be well placed to deal with a future of reduced barriers to entry, reduced capital requirements and shorter development cycles enabling revenues to be generated sooner.

Areas for further research identified during this survey

1. Comparing jobs growth in a region by the numbers of students graduating specialist games courses in the region.
2. Comparing company growth against the timeline of changes enabling indigenous companies to become accessible for State Agency funding.
3. Investigation into the contribution of the Irish Games Industry to Ireland through corporation tax, payroll taxes, and other associated revenues.

Recommendations

1. Continue to make it easier for developers with viable products to get access to funding, mentoring and space to get their products made. After all, content is where the money is, and it's all exports at the end of the day.
2. Continue to build on changes in Government policy that are a legacy of over a decade of grassroots effort.
3. Grow a number of developers as a group and aim that at least one will produce a hit game and cross-subsidise the rest – i.e. the hip hop business model.
4. With the emergence of web, apps, and micro-transactions, there is an opportunity for Ireland to become an "IFSC for Virtual Currencies", with a growing number of companies worldwide utilising micro-transactions or free-to-play business models. A micro-tax on the sale of virtual goods would give an incentive to the large number of Asian, American and European companies now utilising this business model for their games to establish in Ireland, channelling these revenues and jobs through Ireland.
5. Aligning college courses with the real industry that is here, not only in development, but also in publishing and post-release services into the mid-term (5 years or so).
6. Develop post-graduate or further education courses for incumbent senior management looking to formalise skills in areas such as Quality Assurance, Customer Services, Games Marketing and PR, Games Masters (inc Community Management) and other non-development skills that exist in Ireland today.
7. Build on ten years of GameDevelopers.ie and Games Fleadh, both celebrating their tenth anniversary in 2013.
8. Identify areas where skills gaps continue to exist, causing developers to leave Ireland, and focus on developing expertise in these areas.
9. Attract back ex-pats with AAA credentials and get studios up and running with core "lead" talent, and then recruit in graduates to fill out other roles. A project to identify Irish people working in the international games industry is underway as a follow-on project to this report at http://tinyurl.com/irishexpatgamessurvey2012
10. Continue to build a register of games companies operating in Ireland to track changes in the future. Companies that missed the October survey can still participate at http://tinyurl.com/irishgamessurveyoct12.

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GamesIndustry.biz for promoting the survey to the international industry
SiliconRepublic.com for promoting the survey to the local industry

Rollcall of Participants

A question was asked in the survey asking whether participants if they wanted to be listed or not. The following is a list of all those who participated and requested to be included as a participant in the report.

Company Name	***Website***
Affinity Tech	www.affinitytech.ie
BatCat Games	www.batcatgames.com
Big Fish Games	www.bigfishgames.com
bitSmith Games	www.bitsmithgames.com
BlueFox Game Studios	www.bluefoxgs.co.uk
Bone Idle	www.bone-idle.ie
Conker	www.conker.io
Demonware	www.demonware.net
DoomCube	www.doomcube.com
ExGamers Studios	www.exgamersstudios.com
Eyesodic Games	www.eyesodicgames.com
Fantom	www.fantom.ie
Kahoot Studios	www.kahootstudios.com
Meez	www.meez.com
Metaverse.ie	www.metaverse.ie
NeverMind Games	www.nevermindgames.com
O'Leary PR	www.olearypr.ie
Open Emotion Studios	www.openemotionstudios.com
OteetO	www.oteeto.com
Pixel Wolf Studios	www.pixelwolfstudios.com
PlayFirst	www.playfirst.com
Raptor Games	www.raptorgames.ie
Redwind Software	www.redwindsoftware.net
Rongella	www.rongella.com
Scream Technologies	www.screamtechnologies.com
Seoige Technologies	www.savvybear.com
Simple Lifeforms	www.simplelifeforms.com
Snow Globe Games	www.snowglobegames.com
SuperFunPlay	www.superfunplay.com
The Gaming Liberty	www.thegamingliberty.com
Time Machine Games	www.timemachinegames.com
Tribal City Interactive	www.tribalcity.com
Two Way Studios	www.2waystudios.com
Whiteley Tech Ltd. / Gametango™	www.whiteleytech.ie
Working Title Games	www.workingtitlegames.com

I would also like to thank all of those unlisted respondents who provided information to help complete the survey, and who helped spread the word to enable this report to be as comprehensive as possible.

Author Bio & Contact Details

Jamie McCormick is from Dublin, and has worked in the Irish Computer Games Industry since the late 90's. A graduate of DIT, he has worked across retail, middleware, gaming centres, development and publishing companies in the Irish games industry, and has been working with Japanese-owned, Dublin based GALA Networks Europe, a publisher of free to play browser and client games across Europe through www.gPotato.eu, since 2008.

An active member of GameDevelopers.ie for nearly ten years, he has put together this report to enable a benchmark to be created, against which the industry can be measured in the years ahead. This information is released independently so that all interested parties can see the size, scale, distribution and make-up of the industry that exists in Ireland today, as well as to see the value of the Irish consumer games market.

For more information on this report or the Irish Computer Games Industry, or for information on how to get in touch with relevant agencies for establishing either indigenous or international games companies in Ireland, you can get in touch with the author by email *jamie dot mccormick at gmail dot com*, or via Linkedin at http://ie.linkedin.com/in/jamiemccormick

Details of this survey are available at www.gamedevelopers.ie and http://irishgamessurvey.wordpress.com

For media interviews please get in touch with me via email and I can provide a telephone number.