

# Video Games

## A New Generation of Entertainment



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MINISTRY OF COMMUNICATIONS  
AND INFORMATION TECHNOLOGY



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# The gaming market has been growing at a rapid pace in recent years



**202.6 Bn USD**

Global gaming market size in 2021



**3.2 Bn**

People worldwide play games



**532 Million**

Esports viewers worldwide



**5.71 Bn Hours**

Game streaming content watched on live streaming video platform Twitch in the third quarter of 2022



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Source: Grand View Research, TechJury, Insider Intelligence, Statista



# Games are consumed by a diverse audience

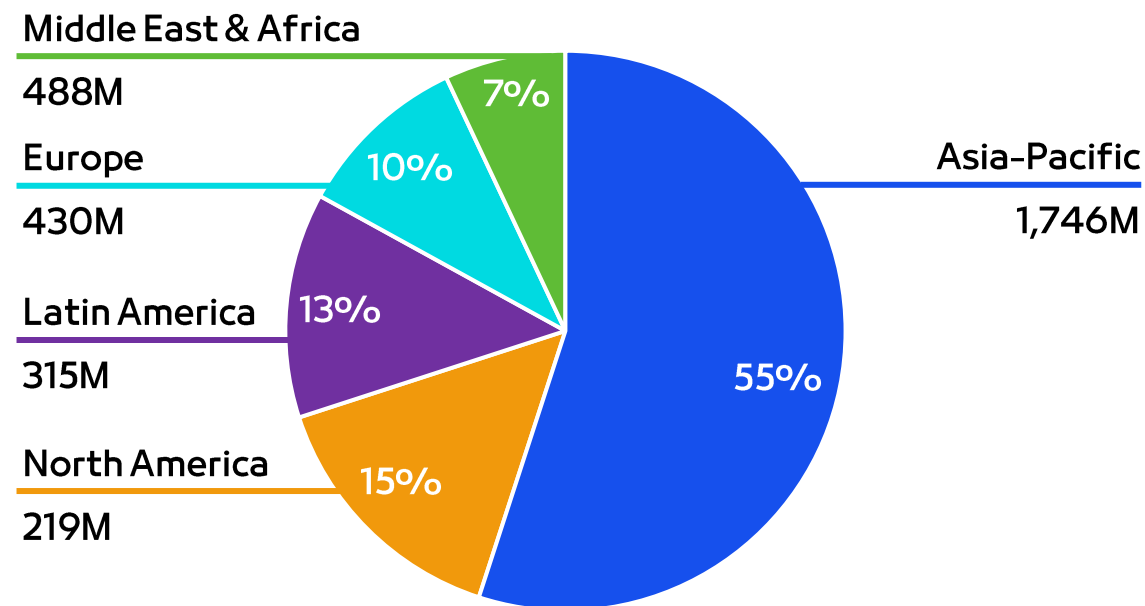
**35 years** Average age of gamers

**46%** of American gamers are female

**9.5 Hrs** average time gamers in Europe spend on playing video games per week

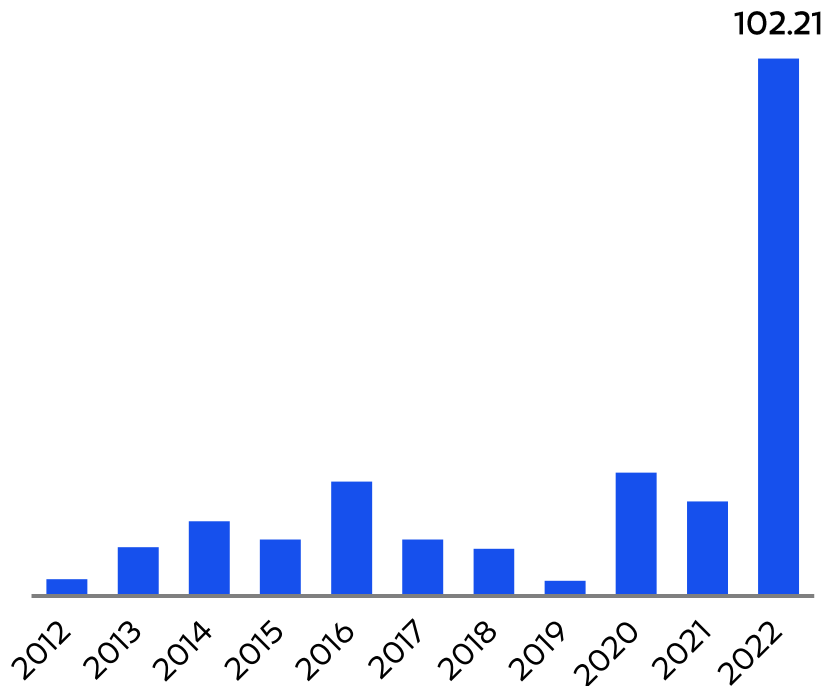
**79%** of people under 22 years of age play mobile games

Global video game players (by region)



# A significant rise in mergers and acquisitions of video game companies occurred in 2022

Video Game M&A Gross Transaction Value  
(Bn USD)



Top 10 Biggest Acquisitions of Gaming Companies

Acquirer	Target	Year	Deal size (Bn USD)
Microsoft	Activision Blizzard	2022	68.7
Take-Two Interactive	Zynga	2022	12.7
Tencent	Supercell (84%)	2016	8.6
Microsoft	ZeniMax Media	2020	7.5
Activision Blizzard	King	2015	5.9
ByteDance	Moonton	2021	4.0
Sony	Bungie	2022	3.6
Microsoft	Mojang	2014	2.5
Electronic Arts	Glu Mobile	2021	2.4
Facebook	Oculus VR	2014	2.0

6 of the 10 biggest gaming company acquisitions have happened in the last three years.

Source: S&P Global, Visual Capitalist

# Saudi Arabia is also looking to capitalize on the growth in gaming through sizable investments

The Public Investment Fund (PIF) launched state-owned company Savvy Games Group in order to drive the long-term growth and development of the gaming and esports market in the Kingdom.

## 38 Bn USD

To be invested in the gaming and esports industry

### 19 Bn USD

Investments in companies that will help grow Savvy Games

### 13 Bn USD

To buy and develop a leading game publisher

### 6 Bn USD

Investment in gaming businesses and early-stage gaming and esports companies

Game Company Investments by PIF and Savvy Gaming Group

Company	Shares Acquired
Activision Blizzard	13.3%
Nintendo	6%
Electronic Arts	7.4m shares
ESL	5%
Embracer Group	5.1%
Nexon	5%
SNK	96.18%
Take-Two	4m shares
Capcom	5%



## In addition, Saudi Arabia has made several efforts to support the local gaming market



The **National Gaming and Esports Strategy** was launched in September 2022 to make Saudi Arabia a global center for gaming and esports, aiming to **raise the GDP contribution by around 50 billion riyals** and create **39,000 new jobs** by 2030



A digital content program, "**Saudi IGNITE**", was launched with a budget of 4.2 billion riyals for Saudi Arabia to become a leading country in the digital content sector. **2.7 billion riyals** is allocated to a fund to develop video games and movies



An initiative titled "**Game Mode**" was launched by CST to encourage telecom providers to **enhance the experience of gamers** and **provide key data and indicators** about the sector's performance



The Saudi Esports Federation launched "**Gamers8**", a **festival to promote games and esports**, across 8 weeks, including several tournaments with a prize pool amounting to **15 million riyals**



In order to help consumers to choose proper games, GCAM regularly publishes **age ratings for games**, which includes **6 categories**



A competition, "**Hope Hackathon**" was launched by MCIT to **encourage innovation** in several digital sectors, including **game development**

# Games are not only a source of entertainment, but they can also have positive benefits as well

Studies have shown that playing video games is associated with better manual dexterity. One study involving a group of surgeons found that those who played video games were faster at performing advanced procedures and made 37% fewer mistakes than those who didn't

A study published by Nature, which looked at differences between certain brain regions of frequent gamers and those who didn't play regularly, and found a correlation between playing action video games and increased gray matter volume in the brain

Researchers at Columbia University found that high video game usage among children was associated with a 1.75 times the odds of high intellectual functioning and 1.88 times the odds of high overall school competence, in addition to being more socially cohesive with peers

A review of studies from 2021 has shown that sessions of activity-based video gaming per day for 10 to 90 minutes have shown to have a positive impact on mental health, improved self-esteem, increased energy expenditure, and improved physical activity

Video games can be a useful tool for education to enhance student engagement and improve learning and problem-solving skills, according to multiple studies

Source: American Psychological Association, National Library of Medicine, Nature, Columbia University, MDPI, University of Pennsylvania



# What's next for the video games market



At a rate of 12.9%, the video game market is expected to reach 583.7 billion USD by 2030



Global spending on gaming continues to grow, it is expected to reach 10.9% of overall spending in the entertainment and media sector in 2026, compared to 6.1% in 2017



The largest growth of the gaming market is expected in Turkey, at 24.1% annual growth rate between 2021 and 2026, follow by Pakistan at 21.9%, and India at 18.3%



The Social and casual gaming segment is the fastest growing among games, which is expected to reach a value of 242.7 billion USD by 2026, making up 75.6% of the gaming market size



# Takeaways



The rapid growth of the video game market provides opportunities **to develop and grow the local gaming industry**



Video games can be used in education for multiple purposes, including the **enhancement of education outcomes**, and **increase interest in technology among youth**



Game streaming and Esports are becoming a prominent source of entertainment for youth, Saudi Arabia has an opportunity to become **a regional and global leader in that regard**



With the growing social influence of video games, local efforts to **monitor and regulate game content** must be **supported and enhanced**



# Thank You



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